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Gallucci Discusses DPRK-Japan, Nuclear Talks

SK1403065495 Seoul YONHAP in English 0611 GMT 14 Mar 95

[FBIS Transcribed Text] Seoul, March 14 (YONHAP)—U.S. Nuclear Ambassador Robert Gallucci said Tuesday that Washington would not oppose Japan resuming talks with North Korea on the normalization of bilateral diplomatic relations even before the North concludes a contract for the provision of two light-water nuclear reactors to North Korea.

Gallucci, who is in charge of negotiations with North Korea on the North's nuclear program, said, "I myself do not, and would not, anticipate any connection between the implementation of the framework agreement (signed between Pyongyang and Washington in Geneva last October) and such political moves in Japan as sending a ruling party delegation to North Korea on resuming bilateral normalization talks".

Gallucci, speaking to reporters of Seoul, Tokyo, Jakarta and Canberra who took part in an inter-city video satellite interview, left the issue solely in the hands of the Japanese Government by saying, "as long as the Japanese Government feels comfortable (with the Japanese ruling party's move to send its delegation to the North), I'm also comfortable."

In the video-conferencing organized by the United States Information Service (USIS), the U.S. Ambassador also warned that the United States would have to consider returning the North Korean nuclear issue to the United Nations Security Council (UNSC) if North Koreans break the agreement by resuming operations of its two graphite-moderated nuclear reactors.

"We will first consult with South Koaea, Japan and other allies," said Gallucci when asked how Washington would react if North Korea breaks the nuclear freeze. "At this point, I will not go into detail. But we would have to consider returning the issue to the United Nations Security Council (UNSC) for possible sanctions."

Dismissing North Korea's bid to refuse South Korean standard reactor models, Gallucci said that "we made it clear during lengthy talks with North Koreans that there is only one model for this arrangement, that is the South Korean reactors which are technically, financially and politically viable."

Gallucci insisted that he understood that the North Koreans were fully aware that the reactors to be provided to the North would be South Korean models, although the agreed framework did not specify such words for "political reasons".

"It would have been politically inappropriate to put it in writing, and we've tried to produce an adequate political context," said the U.S. official describing the situation at the time of the Geneva talks last October.

Regretting what he described as North Korea's brinksmanship, he urged the North to be straightforward.

He believed that North Koreans recognize their country is in some financial difficulty in stark contrast with South Korea's economic miracle. "The agreed framework has the potential to promote improved relations between South and North Korea and is helpful for the reduction of risk of conflicts on the peninsula."

Gallucci hoped that the North Koreans will make some headway in resolving the issue in time for the upcoming talks in berlin with Gallucci, adding that the North should not expect the United States to proceed with any other alternatives to South Korean models.

He expressed concerns over the possibility of the North diverting heavy fuel oil provided by the United States to military uses, especially for the process of steel production, but added that the United States found no direct military uses of the oil originally intended for heating and electricity generation uses.

Gallucci, meanwhile, did not want to set a specific date for the establishment of the liaison offices in each capitals of North Korea and the United States, just saying that some consular and technical issues need to be solved.

On the question of why the United States should provide two expensive light-water nuclear reactors to the North while starkly dismissing efforts by Iran to seek nuclear efforts with Russia and other nuclear powers, the U.S. Nuclear Ambassador said "the situation in North Korea is quite different than the situation in Iran."

"North Korea has a nuclear program in place, one of them nearing completion," said Gallucci. "The graphite technology could be dangerous and all the facilities (of the North) are prohibited by safeguards of the International Atomic Energy Agency (IAEA)."

He says that the North has already secured plutonium to be used for the making of nuclear weapons which could threaten the security of South Korea, Japan and the entire international community.

The nuclear deal between Washington and Pyongyang froze the north's nuclear project and accordingly the United States took steps beyond the IAEA safeguards, Gallucci explained.

ROK, Japanese Leaders Talk in Copenhagen

OW1103162995 Tokyo KYODO in English 1500 GMT 11 Mar 95

[FBIS Transcribed Text] Copenhagen, March 11 KYODO—South Korean President Kim Yong-sam expressed concern Saturday [11 March] over moves against a proposed antiwar resolution in Japan's parliament in a meeting with Japanese Prime Minister Tomiichi Murayama, Japanese officials said.

"There is a possibility that an adverse feeling may emerge (among the South Korean people) as there are people (in Japan) who are against the resolution," Kim reportedly told Murayama.

Murayama replied he hopes the Diet will adopt such a resolution by adjusting opinions among the three ruling coalition parties.

Murayama told reporters Friday that he is ready to take the initiative in pressing the Diet to approve a proposed antiwar resolution to mark the 50th anniversary of the end of World War II.

He said he hopes the three ruling coalition parties will strike a deal on approving such a resolution based on the pact the three parties reached in forming the coalition government headed by Murayama last summer.

The two key forces of the three-party coalition—the Liberal Democratic Party and Murayama's Social Democratic Party—are poles apart over whether a Diet resolution should be drafted pledging that Japan will never again wage war and apologizing for Japan's actions in World War II.

Murayama said Friday an antiwar resolution would include Japan's apology for the war.

During a 30-minute meeting, Kim reportedly said the feelings of the South Korean people will never be favorably disposed toward media reports that Japan's parliament will adopt an antiwar resolution if the realization of the resolution is not smooth.

Kim asked Murayama about the planned mission to North Korea by Japan's ruling coalition to seek a resumption of deadlocked bilateral normalization talks.

The Japanese prime minister replied that he knew the coalition is planning such a mission and said Tokyo will try to normalize relations with Pyongyang so as to help improve inter-Korean relations. Murayama pledged close contacts with South Korea on the matter.

Murayama and Kim also agreed to seek close cooperation among the two countries and the United States in managing an international consortium to fund the construction of light-water nuclear reactors in North Korea.

The three countries inaugurated the Korean Peninsula Energy Development Organization (KEDO) on Thursday in New York. The organization plans to build two light-water nuclear reactors in North Korea as part of the nuclear deal between Washington and Pyongyang last October.

Under the accord, Pyongyang pledged to freeze and eventually dismantle its nuclear program in return for the provision of modern reactors and alternative energy supplies.

Murayama expressed concern over North Korea's refusal to accept South Korean-made reactors and hoped South Korea will play a leading role in the project.

Asian Ministers Meet Informally in Copenhagen

BK1203140195 Bangkok Radio Thailand Network in Thai 1200 GMT 12 Mar 95

[FBIS Translated Text] Foreign Minister Doctor Krasae Chanawong granted an interview to news reporters in Copenhagen, Denmark, yesterday during which he reported on his meeting with the Malaysian and Indonesian foreign ministers. He said he took the opportunity of being there to introduce himself to his two counterparts. They exchanged views about the ASEAN summit to be held in Bangkok late this year. He said Laos, Cambodia, and Burma will be invited to attend the summit as observers. On the meeting of ASEAN and Europe, he said the Malaysian and Indonesian foreign ministers supported Thailand to play host of the meeting. They believed the meeting would help boost ASEAN's bargaining power with other countries on various projects.

Dr. Krasae said he learned from his discussion with the South Korean foreign minister that South Korea would contest for chairmanship of the World Trade Organization, or WTO, and asked for support from Thailand, which is an Asian country. South Korea also wants to be a nonpermanent member of the UN Security Council. Dr. Krasae indicated that the issue would have to be thoroughly studied by Thailand because Sri Lanka, which is also a friend of Thailand, also wants the post.

Asked in what capacity Burma will be invited to attend the ASEAN summit, the foreign minister said Burma will be Thailand's guest at the summit. However, the issue will be discussed among the ASEAN members first. Dr. Krasae thinks there should be no problem because Burma is a neighbor of Thailand and the ASEAN's policy on constructive engagement always remains valid supported by Japan.

Dr. Krasae also noted the South Korean move to relocate its base of industrial production to Thailand because of Thailand's potential in serving as base for foreigners to open factories here. He said he will invite the South Korean foreign minister to visit Thailand for familiarization.

SRV Delegate Addresses Summit in Copenhagen

BK1403102395 Hanoi VNA in English 1323 GMT 13 Mar 95

[All quotation marks as received]

[FBIS Transcribed Text] Hanoi VNA March 13.—Deputy Prime Minister Nguyen Khanh, head of the Vietnamese delegation to the World Summit on Social Development held in Copenhagen, on March 10 delivered his speech at the summit.

Mr. Nguyen Khanh said among other things:

The Government of the Socialist Republic of Vietnam accords great, importance to and highly welcomes the convening of the Copenhagen World Summit on Social Development, considering it as both timely and vital for all states, in particular for the developing countries, which are facing the greatest social problems and the most severe social challenges as a direct result of their poverty, under-development, and historical legacies.

'We all understand that economic growth and development does not by itself bring about human well-being if social development is not taken as its objective and driving force and the human person not placed at the centre of the entire development process.

'In international cooperation in social development as in other fields, one must respect the specific conditions and experience of each country, each nation, and at the same time, share the common solutions and resources. The developing countries need to be given assistance from the developed countries and international organizations. As a common instrument for peace and development of nation, the United Nations should act as a catalyst and render support to developing countries, both financially and technologically, for social development.

'Vietnam's entire struggle for national liberation in the past and for national development at present has been and is governed by the concern for the all-round progress of the people and of each person. Consequently, though still a poor country that suffered from protracted wars, Vietnam has achieved social advances that are much higher than the average levels associated with its GNP per capita, such as literacy rate, life expectancy and infant mortality rate. The successes recorded in the recent years in the renovation process have brought Vietnam out of a serious socioeconomic crisis and currently, Vietnam is entering a new stage of development: That of accelerating economic growth pace, stepping up industrialization and modernization with the aim to soon overcoming poverty and backwardness, gradually narrowing the gap in the level of economic development as compared to the countries in the region, advancing towards the goal of 'a prosperous people, a strong country, and a just and civilized society'.

'The Government of Vietnam has adopted a number of specific, diverse policies and measures and has concentrated necessary resources on the social sector, such as allocating during the last three years 26-28 of its annual budget to social expenditures. We therefore have recorded some significant progress and achievements in social development for example, we have created new jobs for more than one million people each year during the past four years, thus reducing the unemployment rate from 8-9 in 1990 to about 6-7 in 1994 from a country with 95 of [as received] the population illiterate in 1945, Vietnam now has a population that is by nearly 90 literate [as received] and has been effectively carrying out a nation-wide program aimed at hunger eradication and poverty alleviation'.

'In the transition to a market mechanism, it is ever more imperative to care for social integration and ensure social justice. Building upon the nation's historical tradition of upholding national solidarity and community mutual support, we have been able to mobilize resources from the communities to better meet the needs for social development. In various social sectors, investment from the state is just a part of the input while the rest is contributed by the people. The mass organizations and associations play a very important role in ensuring that state policies reach down to the people and in mobilizing the people to implement them'.

Japan

Tokyo-Washington Investment Talks Begin 22 Mar

OW1403124395 Tokyo KYODO in English 1224 GMT 14 Mar 95

[FBIS Transcribed Text] Tokyo, March 14 KYODO—Japan and the United States will hold working-level talks here next week on ways to strengthen foreign investment in Japan, officials of the Ministry of International Trade and Industry (MITI) said Tuesday [14 March].

The two-day discussions from March 22 are part of the effort at economic harmonization under the bilateral "framework" trade negotiations.

The sessions will focus on deregulatory steps designed to upgrade Japan's investment environment by easing taxation and financial barriers for foreign companies operating businesses in Japan, they said.

The Japanese delegation to the talks will be led by Risaburo Nezu, deputy director general of MITI's International Trade Policy Bureau, while the U.S. team will be headed by Alan Larson, deputy assistant secretary at the State Department.

The talks follow a round held in December at which the U.S. side called on Japan to expand loans for foreign business organizations through the Japan Development Bank.

In the talks, Japan is likely to disclose its response to the request, they said.

Coalition Panel To Correct Price Gap

OW1403130595 Tokyo KYODO in English 1227 GMT 14 Mar 95

[FBIS Transcribed Text] Tokyo, March 14 KYODO—A project team of ruling coalition parties said Tuesday [14 March] it will urge the government to take action to correct the price gap between Japan and other countries.

The group said it will also ask the government of Prime Minister Tomiichi Murayama to strengthen the functions of the Fair Trade Commission to promote fair competition in the market.

The requests will be made in a report to be completed as early as Thursday and submitted to Murayama by the end of this month, group members said.

They said the existing price gap prevents the Japanese people from enjoying an affluent life and promotes deindustrialization of the domestic industry.

The government will be asked to eliminate all barriers hindering fair competition and work out medium and long-term cost-cutting action programs for individual industries such as housing construction, electric utilities, energy, food, telecommunications and transportation, they said.

Deregulation Report Disappoints Business Leaders

OW1303144895 Tokyo NIHON KEIZAI SHIMBUN in Japanese 11 Mar 95 Morning Edition p 5

[FBIS Translated Text] On 10 March, ministries and agencies disclosed a package of interim reports on deregulation plans, but few fresh proposals were indicated in the deregulation package. The business world has already begun to voice its disappointment with the government. Masaru Hayami, chairman of the Japan Association of Corporate Executives [Keizai Doyukai], said "the report rejected reform of most regulations affecting new companies and fair competition." Deputy Prime Minister and Foreign Minister Yohei Kono said earlier "foreign nations are watching our efforts, and we must try our best." The international community is likely to intensify its criticism of Japan if the government fails to further expand its deregulation plans by the end of March.

Commenting on the interim report, the Federation of Economic Organizations [Keidanren] Chairman Shoichiro Toyoda said: "We do not consider the report adequately reflects deregulation demands from domestic and foreign markets." The Keidanren intends to urge the government to further enrich deregulation plans. Chairman Toyoda may arrange meetings with Prime Minister Tomiichi Murayama and those cabinet ministers concerned to directly urge further deregulation measures. The Keidanren believes expansion of the domestic market through deregulation will result in the reduction of Japan's trade surplus, and the government must seriously deal with the subject to curb the skyrocketing yen rate.

According to Takeshi Nagano, president of the Japan Federation of Employers' Association [Nikkeiren], the business world has been seeking the abolition and relaxation of government regulations to "help toward the revitalization of the economy and an improvement in people's livelihood." In line with this, Nagano severely criticized the government report, saying "the conversion of designated farmland is an inevitable part of the improvement in the nation's industrial structure, and the report is totally unsatisfactory in this regard."

Kosaku Inaba, president of the Japan Chamber of Commerce and Industry [Nissho] noted: "The government should take further action to reinforce financial markets that help foster small venture businesses."

Deregulation is one of the topics of the Japan-U.S. economic framework talks. During the last working-level negotiations in February, the United States welcomed Japan's decision to prepare an interim report, but noted the need for definite "contents."

However, the report says the Large-Scale Retail Stores Law "should be reviewed as a mid-term objective," while the United States had urged that there be a "definite deadline" for revision of the law.

In the auto and auto parts negotiations, the United States is urging the Transport Ministry to relax regulations on replacement parts. In response, the ministry simply says, "immediate relaxation is difficult, but studies are in progress in view of demands and requests."

Such an attitude is only likely to make the auto talks even more difficult.

Hashimoto Urges End to Ban on Holding Companies

OW1403055995 Tokyo KYODO in English 0146 GMT 14 Mar 95

[FBIS Transcribed Text] Tokyo, March 14 KYODO—International Trade and Industry Minister Ryutaro Hashimoto proposed Tuesday [14 March] lifting a ban on the establishment of holding companies.

Hashimoto told a news conference what to do with a provision that bans such companies would be "the biggest pending problem" for his ministry after the government's five-year deregulative package is released at the end of March.

The ban on the creation of holding companies is stipulated in Article 9 of the Antimonopoly Law. Behind the article is the concept that control of other companies through the holding of shares might lead to hindrance of competition, as was seen in prewar days.

The Fair Trade Commission (FTC) has recently decided not to include in its five-year deregulative measures a review of the provision, terming its repeal "impossible" under present circumstances.

Hashimoto said he cannot understand the decision by the antitrust watchdog to put such a review in the "impossible" category.

"Holding companies would become one of the major factors to affect Japan's corporate activity in the future," he said.

Hashimoto said the FTC should "take time to give full study to reviewing the ban."

An advisory panel to the international trade and industry minister recently issued a report urging an end to the ban, noting a set of business benefits to be gained from scrapping the provision while downplaying the significance of possible negative economic effects.

Hashimoto proposed reinforcing the FTC's role and functions as an antimonopoly watchdog. "By doing so, corporate activity that limits competition can be prevented," he said.

Holding companies are allowed in the United States and European countries. Such firms existed in Japan during the prewar period.

The panel report said abolition of the ban is intended to stem further "hollowing out" among Japanese companies by promoting group restructuring and the creation of new business.

UN's Reed Praises Tokyo's Global Contributions

OW1403021095 Tokyo KYODO in English 0103 GMT 14 Mar 95

[By Shiro Yoneyama]

[FBIS Transcribed Excerpt] Tokyo, March 14 KYODO—During his three years as the chief of protocol at the White House under President George Bush, Joseph Verner Reed had to deal with some unusual situations, an experience he hopes will be useful in his new role in global diplomacy.

Reed since then has returned to the United Nations and he says he savors his new role as undersecretary general and special representative for public affairs of UN Secretary General Butrus Butrus-Ghali. [passage omitted]

Reed, 57, is capitalizing on these and other bad and good experiences, including several Japan-U.S. summits, as Butrus-Ghali's top deputy to promote the world body, which is marking its golden jubilee this year. [passage omitted]

Reed cited a number of examples of the world body's successes, including the sharp jump in membership from the original 50 to 185, the end of apartheid in South Africa, the eradication of smallpox, the Law of the Sea and the Declaration of Human Rights.

He praised Japan's past and present contributions to the UN and its affiliates, referring to prominent Japanese diplomats working for those organizations such as Sadako Ogata, UN High Commissioner for Refugees, WHO chief Hiroshi Nakajima and special UN representative in the Former Yugoslavia Yasushi Akashi.

"Japan has demonstrated an extraordinary skill in multilateral diplomacy in Geneva and the headquarters in New York and other duty stations around the world," Reed said, but declined to comment on skepticism in Japan that Tokyo may be too dependent on UN diplomacy.

With the U.S. Congress under the control of Republicans, some of whom are opposed to greater U.S. engagements in UN diplomacy, the world body needs more than ever a traditionally strong supporter like Japan.

Tokyo's share in the total UN contributions this year comes to nearly 20 percent, up from 12.45 percent last year.

Citing the dispatch of Japanese peacekeepers to Cambodia and Zaire and of election monitors to El Salvador, Angola, South Africa and Mozambique, Reed said, "These are all examples of how Japan has been developing for a major presence in world organizations."

"From 1945 to 1988 there were 13 peacekeeping operations. And today there are 33 peacekeeping and other field missions in operation." [passage omitted]

President Mubarak Continues Official Visit

Discusses Peace, NPT Issues

NC1303175395 Cairo MENA in Arabic 1552 GMT 13 Mar 95

[FBIS Translated Text] Tokyo, 13 Mar (MENA)—President Husni Mubarak has warned that the stumbling in the peace talks on the Palestinian-Israeli track threatens the entire peace process. He urged the parties concerned to move forward and invigorate the peace process to achieve real and tangible relaxation. This came in a statement today to the largest Japanese television network, NHK, and to the chief editor of the newspaper YOMIURI. The interview will be published in the English and Japanese editions of the paper. He also gave an interview to the REUTER International Television.

In his three interviews, President Mubarak stressed that Yasir 'Arafat and the Palestinian delegation that visited him in Cairo a few hours before his departure for Tokyo denied that any progress was made in the negotiations on the Palestinian track except for Israel's agreement to increase the number of Palestinian workers by 3,000.

Discussing the Nuclear Nonproliferation Treaty, President Mubarak said that Egypt's stance is principled and will not change. He said that Egypt believes that there should not be one nuclear country in the region because this threatens stability in the region.

Broaching Egyptian-Japanese relations, President Mubarak said that Japan is an economic power and its support for the region's economy means support for the peace process.

At the end of the interview President Mubarak asked the YOMIURI chief editor why he did not ask him about acts of terrorism in Egypt. The Japanese journalist said that he deliberately did not ask this question because he and his family have just returned from Egypt where they spent several days during which they noticed that the security situation was stable throughout Egypt.

Received by Emperor

OW1403051395 Tokyo KYODO in English 0323 GMT 14 Mar 95

[FBIS Transcribed Text] Tokyo, March 14 KYODO—Egyptian President Husni Mubarak and his wife Suzanne had an audience Tuesday [14 March] with Emperor Akihito and Empress Michiko at the imperial palace in Tokyo, the Imperial Household Agency said.

During a 20-minute conversation, the emperor thanked Mubarak for the relief goods which Egypt sent to survivors of the Jan. 17 earthquake in western Japan, according to an agency official who was present at the meeting.

A welcome ceremony for Mubarak was held at the Akasaka Palace state guesthouse in central Tokyo earlier in the day with the imperial couple, Prime Minister Tomiichi Murayama and other cabinet members attending.

Mubarak arrived in Japan on Monday on an official visit to promote Japanese investment in his country and strengthen bilateral relations. He is scheduled to attend a dinner hosted by the emperor and the empress later in the day.

Emperor Hosts Banquet

OW1403132895 Tokyo KYODO in English 1239 GMT 14 Mar 95

[FBIS Transcribed Text] Tokyo, March 14 KYODO—Emperor Akihito on Tuesday [14 March] expressed admiration toward visiting Egyptian President Husni Mubarak for his efforts to bring peace in the Middle East.

"The whole world earnestly desires peace in the Middle East," the emperor said in a speech at a banquet at the Imperial Palace. "Let me here express my most profound respect and admiration for Mubarak's unswerving dedication to building mutual trust among peoples by removing psychological barriers through dialogue."

About 120 people, including Prime Minister Tomiichi Murayama and Egyptian Foreign Minister Amr Musa, attended the banquet which was hosted by Emperor Akihito and Empress Michiko to welcome Mubarak and his wife Suzanne.

Mubarak told the assembled guests, "Egypt welcomes the expansion of Japan's positive and constructive role, not only in the Far East and the Asian continent, but also on the global scene."

"Japan's involvement will promote peace, international cooperation toward development, and progress," Mubarak said.

During Mubarak's audience with the emperor before the banquet, the emperor thanked the Egyptian president for the relief goods which Egypt sent to survivors of the Jan. 17 earthquake in western Japan, an Imperial Household Agency official said.

Mubarak arrived in Japan on Monday on an official visit to strengthen bilateral relations and promote Japanese investment in his country.

Mubarak Urges More Investment

OW1403073695 Tokyo KYODO in English 0652 GMT 14 Mar 95

[FBIS Transcribed Text] Tokyo, March 14 KYODO—Visiting Egyptian President Husni Mubarak urged the

Japanese business sector Tuesday [14 March] to boost investment in Egypt, saying his country enjoys a high level of security and stability.

In a speech at a luncheon hosted by a group of Japanese business organizations, Mubarak said that contrary to "strong bonds" on the political and cultural front between the two countries, bilateral economic cooperation "has not yet lived up to expectations."

He called on the Japanese private sector and business circles to play a greater role in creating a mutually beneficial partnership between the two countries.

"We need your cooperation with us in the fields of improving production and productivity, applying modern technology and enhancing research and development," he said.

A series of economic reform efforts including measures aimed at improving the environment for investment and production makes Egypt an attractive market, the president said.

He also said breaches of security have been greatly reduced in Egypt lately and that the "risk is almost nonexistent."

"The Egyptian market offers a good window to many Middle Eastern and African states," Mubarak said.

Kosaku Inaba, president of the Japan Chamber of Commerce and Industry, said in a speech that he believes there is still "good room for substantial expansion of Japanese investment" in Egypt, considering the scale of the Egyptian market and its geographical proximity to neighboring markets in the Middle East, Africa and Europe.

But he called for Egypt's additional efforts in improving its trade and investment climates.

Bilateral trade between the two nations jumped 33 percent from 640 million dollars in 1991 to 840 million dollars in 1993, according to Japanese statistics cited by Inaba.

DA Ignoring French Complaint on UX Aircraft

OW1403061095 Tokyo TOKYO SHIMBUN in Japanese 11 Mar 95 Morning Edition p 3

[FBIS Translated Text] There is suspicion about the Air Self- Defense Force's [ASDF] decision not to choose the Falcon 900 as the next-generation multipurpose support aircraft (UX). In this regard, the Dassault Corporation of France, which manufactures the Falcon 900 and is dissatisfied with the decision, sent a letter to the Defense Agency [DA] asking them to allow an investigation by a team of technical specialists—this was disclosed on 10 March. The DA is determined to ignore the request. However, it is very unusual for a foreign company to officially file a claim over the DA's weapons procurement.

The letter, signed by President of Dassault Serge Dassault, was sent to Shigeru Sugiyama, ASDF chief of staff, in late February.

First, the letter points out there is a report that says the selection process for the UX was unfair and unclear. The letter then complains about the DA decision, saying: "The DA's report is inaccurate as far as the capability and cost of the Falcon 900 are concerned. It damages our company's name and will have a major impact on our future business." Moreover, the letter sounds out the DA, saying that if it wants, the company will send a team of technical specialists or technicians who are not members of the company to Japan, to study contents of the DA report.

Responding to the letter, Tadaaki Murata, chief of the Bureau of Defense Policy, said: "The proposal for the Falcon 900 was made by a private Japanese company. The DA is not in the position to talk to Dassault Corporation directly." The DA is ignoring the complaint.

MOFA Vexed by PRC Debt Reduction Request

OW1403101995 Tokyo TOKYO SHIMBUN in Japanese 12 Mar 95 Morning Edition p 2

[FBIS Translated Text] With regard to the PRC Government's debt reduction request in view of the inflation of its yen loan liabilities, the Ministry of Foreign Affairs [MOFA] said: "The difficult situation of the debtor countries owing to increased debt burdens resulting from yen appreciation is understandable." However, according to the Economic Cooperation Bureau, "there is no effective way to reduce this burden." Also according to this bureau, the Foreign Ministry is in anguish over what to do.

Due to the appreciation of the yen in recent years, the foreign currency-based yen loan liabilities of the developing countries have inflated substantially. Aside from China, other developing countries have also asked for reduction of their debt burden.

However, if the debt payment of one country is reduced, other countries are also bound to make the same request. In that case, the amount reduced will have to be covered by tax revenues. Therefore, the Foreign Ministry is not in a position to accede to China's request.

Inside the government, there have been proposals to denominate loans in other foreign currencies, such as the dollar, as a measure to hedge the effects of yen appreciation. However, since loan repayment periods are often set for a long term—for instance, 30 years—even denomination in other foreign currencies cannot hedge exchange rate risks. Furthermore, this runs counter to the government's standing policy of promoting the "internationalization of the yen." So far, there has not been any strong demand to implement denomination of loans in foreign currencies.

A senior Foreign Ministry official also expressed concern over a "possible aversion to yen loans," because "at the rate yen appreciation is progressing, yen loans may be avoided in consideration of the repayment burden."

In fact, Malaysia has already announced that it will not request yen loans, partly because of yen appreciation, and partly because of its own rapid economic development.

Yen loans are the mainstay of Japan's Official Development Assistance (ODA). However, with the appreciation of the yen and the economic growth of the major ODA recipients in Asia, it is time for a radical review of the ODA program.

Memory Chip Imports From ROK, Taiwan Rise

OW1403062395 Tokyo NIHON KEIZAI SHIMBUN in Japanese 11 Mar 95 Morning Edition p 1

[FBIS Translated Text] South Korean and Taiwanese semiconductor makers have been intensifying their drives to export memory products to Japan. The imports of South Korean and Taiwanese products sharply increased in 1994, more than twice the amount of the previous year. Their share on the Japanese memory market exceeded 15 percent. This sharp increase was attributed to the continuing yen appreciation and tight demand caused by the recent personal computer boom. This is also because South Korean and Taiwanese memory products have come to equal Japanese ones in quality, thanks to improvements in semiconductor manufacturing technology. Samsung Electronics Co., the largest semiconductor maker in South Korea, plans to increase exports to Japan this year by 50 percent from the previous year. While the Japanese semiconductor industry has lagged behind the U.S. industry in producing microprocessors, it is being heavily pursued by Asian makers in memory production.

South Korean and Taiwanese products account for more than 60 percent of Japan's imports of memory products. Samsung Electronics has expanded exports to Japan while increasing production entrusted by NEC Corporation. According to a survey by the U.S. research company VLSI Research, Samsung Electronics invested $1.5 billion in plants and equipment in 1994, the second largest amount in the world after U.S. Intel Corporation. The amount is much larger than of Japanese makers, including NEC and Hitachi, Ltd. Taking advantage of the strong yen and weak South Korean won, Samsung Electronics plans to increase the export of semiconductor products, mainly DRAM (dynamic random-access memories), to Japan in 1995 by 46 percent from the previous year, expecting exports to reach 130 billion yen [Y].

LG Semiconductor (former Kimsung Electron [name as published]), which has tied up with Hitachi, has also expanded supply to Japan. Meanwhile, Taiwanese semiconductor makers, including Hwapang Electronics and Wanghung Electronics, have been building up production systems with assistance of the Taiwan authorities.

According to the Finance Ministry's trade statistics, the import volume of South Korean-made memory products accounted for 57 percent of Japan's imports in 1994, reaching Y126.227 billion. The imports of Taiwan-made memory products doubled in 1994, amounting to Y10.87. As a result, Japan's total import volume of semiconductor products increased by 72.9 percent over the previous year to Y219.9 billion, accounting for about 30 percent of the Japanese market.

While South Korean-made memories have been upgraded from four-megabyte (one mega corresponds to one million) to 16-megabyte with a large capacity, Taiwanese-made memories have been developed into a high-speed type. The import volume of South Korean products increased by 26.5 percent, that of Taiwanese products by 56.1 percent. However, the amount of imports from South Korea and Taiwan drastically increased because high value was added to their products. One of the reasons for the increase in imports from South Korea and Taiwan is that in response to the increase in demand for personal computers in the United States and Japan, Japanese semiconductor makers have exported product parts intended for domestic needs to the United States. In fact, the export volume of Japanese memory products to the United States reached Y298.452 billion in 1994, a 20.5 percent increase from the previous year.

In many cases, major electric appliance makers use U.S.-made microprocessors and South Korean-made memories in producing personal computers. Many people have said: "There is no sign that the increase in imports from South Korea and Taiwan will stop in 1995" (as stated by the Electronic Industries Association of Japan).

LDP Studying Plan To Send Rice to DPRK

OW1303143895 Tokyo SANKEI SHIMBUN in Japanese 10 Mar 95 Morning Edition p 1

[FBIS Translated Text] It was disclosed on 9 March that, after the demise of Kim Il-song, a senior party official of North Korea (DPRK), which is suffering from a serious food crisis, secretly contacted an influential member of the Liberal Democratic Party [LDP] and made a de facto request for a supply of rice as a form of aid to that country. This was disclosed by a source concerned with Japan-DPRK relations. Since Japan does not have diplomatic relations with the DPRK and also because the North Korean side is saying that "we cannot accept aid without compensation," the influential LDP member is reportedly studying the possibility of having the LDP send rice independently.

Although the same influential LDP member denies the report on his contact with the WPK official, the source pointed out that this influential official is unofficially sounding out authorities of the Ministry of Foreign Affairs [MOFA] and the Ministry of Agriculture, Forestry, and Fisheries [MAFF] on concrete measures. The source is critical of the possibility of such measures, saying that granting of such aid at the party level will become another case of the three-party joint declaration announced by the LDP, the Social Democratic Party of Japan, and the WPK. The joint declaration eventually became a diplomatic problem between the two countries.

According to the same source, North Korea sent a close associate of WPK Secretary Kim Yo-sun to meet the LDP member when the latter visited Beijing in late August of 1994 and called for a secret meeting. Admitting that North Korea was suffering from a serious food shortage, the close associate reportedly said: "We would like to buy rice by using a long-term loan, with an interest rate as low as possible, from Japan. We are asking for the same thing from China as well. Even 50,000 or 100,000 tons of rice is fine with us. We would like to buy about 500,000 tons, if possible."

After returning home, the LDP official talked to the MOFA and the MAFF about the request. Since the suspected North Korean nuclear weapons development was an international issue at that time, the discussions were temporarily suspended. After that, North Korea and the United States reached an "agreement" over the nuclear issue. Therefore, the LDP official reinvestigated the food situation in North Korea and found out that it had worsened further. Together with other influential members of the LDP, he studied the possibility of taking concrete measures regarding the request.

North Korea is concerned about losing face, saying: "We do not want aid without compensation." Because of this, the LDP members agreed at that time to send rice to the DPRK in return for the $1,000,000 which Kim Chong-il donated in January this year for the victims of the great Hanshin earthquake. Reportedly, they are preparing to send the rice, which Japan imported from Thailand and other countries last year to deal with an emergency situation in Japan and old Japanese rice that is in excess supply.

For years, North Korea failed to meet its goal of securing 10 million tons of food a year and the food situation has been critical.

Meanwhile, another source concerned with Japan-DPRK ties disclosed on 9 March that Kosuke Hori, senior LDP member and former education minister, and Kim Yang-kon, deputy chief of the WPK Central Committee International Department and close associate of WPK Secretary Kim Yo-sun, held a secret meeting in February in Singapore. They talked about the issue of dispatching the coalition mission to North Korea, according to the source.

DPRK Invitation, Normalization Talks Linked

OW1303170395 Tokyo YOMIURI SHIMBUN in Japanese 13 Mar 95 Morning Edition p 2

[FBIS Translated Text] The details of a letter of invitation addressed to Japan's ruling coalition parties by the DPRK (North Korea) was disclosed on 12 March. In the letter, North Korea indicates that the purpose of the invitation is "to discuss the normalization of DPRK-Japanese relations." However, North Korea completely fails to mention in the letter such pending issues with Japan as the handling of the issue of "postwar compensation" which was incorporated in the triparty declaration of the Liberal Democratic Party [LDP], Social Democratic Party of Japan [SDPJ], and the Korean Workers' Party [KWP] in 1990. In addition, it is indicated in the letter that KWP Secretary Kim Yong-sun has been "entrusted" to invite a delegation of members of the Japanese ruling coalition parties who are "in leading positions" to visit North Korea. According to a source concerned with Japanese-DPRK relations, the "entrustment" indicates the intentions of Kim Chong-il, the actual, foremost leader of North Korea, as well as the great degree of expectation that North Korea embraces regarding the visit by the Japanese delegation. For this reason, it is observed in some quarters of the Japanese Government and ruling coalition parties that "there is a great possibility that this may serve as an opportunity to help resume the stalled talks between Japan and North Korea over normalizing diplomatic relations" (as stated by a Foreign Ministry source).

However, should the Japanese delegation actually visit North Korea, it is believed that the triparty declaration will certainly be taken up on the agenda and North Korea will inevitably demand that Japan respect the issue of "postwar compensation" in the course of negotiations over diplomatic normalization. Among the ruling parties, the SDPJ has indicated that this issue "should be respected," while the LDP strongly feels that "interparty exchanges and intergovernmental exchanges are of a different nature." Thus, it has become impending for ruling parties to coordinate matters among themselves.

The following are the contents of the invitation conveyed by North Korea:

In order to discuss the issue of normalizing DPRK-Japanese relations, we welcome the visit to our country by a delegation consisting of members of the LDP, SDPJ, and the Harbinger Party who are in leading positions and have a sense of responsibility. Concurrently, I, under authorization, would like to extend an invitation to a delegation of high-level LDP, SDPJ, and Sakigake members. [Signed] Kim Yong-sun, KWP Secretary

LDP's Mission to North Korea Postponed

OW1403115595 Tokyo KYODO in English 1126 GMT 14 Mar 95

[FBIS Transcribed Text] Tokyo, March 14 KYODO—The Liberal Democratic Party (LDP) decided Tuesday

[14 March] to postpone the planned visit to North Korea by a mission of the ruling coalition parties after it failed to persuade the Social Democratic Party [of Japan] (SDP) [SDPJ] to join the mission, party officials said.

The LDP had proposed sending a mission by the three-party ruling coalition of the LDP, the SDPJ and New Party Sakigake [Harbinger] to North Korea for three days from Thursday.

However, the SDPJ decided at a meeting Tuesday not to join the mission if it is dispatched Thursday, and leaders of the SDPJ and Sakigake agreed that it would be "extremely difficult" to send a mission on Thursday, officials of the two parties said.

The LDP officials said the party still hopes to send a united mission of the three parties and will continue asking the SDPJ to join the team.

The three parties received invitations from Pyongyang to send a mission to promote ties between the two countries.

Japan and North Korea have no diplomatic relations.

The SDPJ has shown reluctance to accept the plan proposed by the LDP, saying it is necessary to make sure what attitude North Korea will take regarding a 1990 joint declaration of the LDP, SDPJ and Pyongyang's Workers Party of Korea (WPK) before sending the mission.

Opinions vary within the coalition over the declaration, which called on Japan to apologize for its 1910-1945 colonial rule and pay North Korea compensation for its activities during its colonial rule "and for losses inflicted on the Korean people in the 45 years since the war."

The coalition's foreign policy committee agreed at a meeting Tuesday that the three parties in the coalition should visit North Korea together, and that views on the 1990 declaration should be coordinated for the mission.

The LDP's Michio Watanabe, a former foreign minister who is scheduled to head the mission, also said Tuesday the LDP should not visit North Korea alone but should visit with the two coalition partners.

Conditions for Mission Set

OW1403092095 Tokyo KYODO in English 0837 GMT 14 Mar 95

[FBIS Transcribed Text] Tokyo, March 14 KYODO—The ruling coalition's foreign policy committee urged Tuesday [14 March] that the three governing parties send a single unified mission to North Korea and coordinate their views on a 1990 joint declaration with Pyongyang.

The committee also called for a constructive contribution by the proposed mission to the Korean Peninsula Energy Development Organization (KEDO), an international consortium to finance and supply North Korea with south korean light-water reactors, committee members said.

Earlier, the Liberal Democratic Party (LDP) said it would monitor the decision of the coalition partner Social Democratic Party [of Japan] (SDP) [SDPJ] on plans to send a coalition mission to North Korea in an effort to unlock the standoff in bilateral normalization talks.

The SDPJ said Monday that it would be difficult to form a mission by Thursday to send to North Korea.

At a meeting Tuesday, the policy committee agreed the three parties in the coalition should visit North Korea together, participants said.

The committee also proposed that the views of the 1990 declaration, jointly signed by the LDP, SDPJ and Pyongyang's Workers Party of Korea (WPK), should be coordinated for the mission.

Opinion varies within the coalition over the declaration, which called on Japan to apologize for its 1910-1945 colonial rule and pay North Korea compensation for its activities during colonial rule "and for losses inflicted on the Korean people in the ensuing 45 years after the war."

The Foreign Ministry told the committee it wants the mission not to discuss any matters that should be handled between the two governments.

Tokyo and Pyongyang initiated negotiations on establishing full diplomatic ties in January 1991, but talks broke down in November 1992 when Pyongyang rejected Tokyo's demand for information about a Japanese woman allegedly abducted from Japan by North Korean agents.

Article Analyzes Technical Competitiveness

OW1403134795 Tokyo EKONOMISUTO in Japanese 28 Feb 95 pp 57-59

["Special feature" article by technology commentator Masanori Moritani: "Why Is Japan's Supposedly Competitive Technology in a State of Crisis?"]

[FBIS Translated Text] Finding an answer to the question of whether Japan's technological strength is really powerful or not is very difficult at present. Japan has supposedly improved its technological power to the point of being superior to the United States in major industries such as automobile and electrical machinery over the last 10 years. However, a sign of change has emerged all of a sudden. While the weakening of price competitiveness due to the sharp appreciation of the yen accounts for the slump in auto and electrical machinery industries, is it the only cause?

Japanese passenger cars are excellent enough to keep winning grands prizes all over the world, but why have the sales of imported automobiles continued to increase? Japan's electronics and information technologies are considered to be very competitive, but why is Japan far behind the United States in the area of multimedia? Why was Japan surpassed by South Korea in the production of VLSI [very large-scale integration] memory, in which Japan surpassed the United States? Great new products—such as the VCR, in which Japan has retained an overwhelmingly high share of the world market—used to be produced one after another, but why has such production ceased?

Japanese firms' strength in technology and development has not declined at all, and it should still be strong. However, the situation no longer allows them to keep winning. Why is this so?

It seems that the reason has to do with changes in technology and technological progress. When the technology itself changes, even powerful traditional technology will no longer work as in the past.

Information Society-Type Technology

What, then, is technological change? On one hand, it means the emergence of an information society-type technology as a new direction for technological advance. On the other, it means that the traditional industrial society-type technology is going to reach maturity soon.

There is a fundamental difference in the nature of these two forms of technology. New telecommunications services—such as personal computers, work stations, multimedia, and the Internet—are referred to as information society-type technologies, and the potential for the application of these technologies is unlimited. For example, the personal computer started as a game machine, developed into a form of office automation equipment and a means of telecommunications, and now it is going to be used in multimedia.

On the other hand, the basic function of an automobile—a machine that carries people along a road—has not changed at all in 100 years. The applications of traditional technologies are almost completely established, and these technologies can be called industrial society-type technologies.

From this point of view, an answer can be found to the question of why Japan's technology, despite its strength, is in crisis. As we can see from examples of the United States, venture businesses, and ultimately people, lead in the development of information society-type technologies. Under the circumstances in Japan, it is impossible for a very capable person to start and develop a venture business.

In contrast, the organization is the driving force for developing industrial society-type technologies. This role has been played mainly by a large group—that is, big corporations. In Japan, organizations have made progress by skillfully utilizing their human resources. However, an organization can be formed in any country as long as its objectives are clear. South Korea has a major national goal of developing its industries, and it has huge industrial conglomerates such as Samsung and Hyundai. They are so powerful that they can acquire the most advanced technologies, such as VLSI memory technology.

Also, industrial society-type technology, especially mass production technology, has almost reached maturity, and therefore, Japanese firms, even though they are good at applying technologies, cannot produce a new, epoch-making product. This will make it easier for other countries which moved into the business late to catch up.

While Japan's technological strength is powerful and its accumulation of technology is extensive, it is difficult for Japan to make progress in the field of information society-type technology. In addition, other countries which started late are putting pressure on Japan in the field of industrial society-type technology. Moreover, the United States has been reviving. Japan now finds itself caught between two powers.

Hardware-Oriented Researchers

Are Japanese researchers then just standing idle? The answer is no. They are working very hard to innovate. An innovative technology is most likely to be born from the fields of electronics and information technologies. The researchers are working on technologies such as high-speed devices, higher-capacity memory chips, new types of displays, higher-capacity telecommunications, and artificial intelligence such as neural networks.

Japan's research and development of innovative technologies that could open lead to next-generation products is at the highest level in the world. Does this mean that Japan is finally going to create innovative technologies?

Despite such hopes, results have not yet materialized. Japan's attempts over the last 20 years to develop innovative technologies—Josephson junction is a typical example—have not yet materialized.

In the meantime, significant progress in the construction of the information superhighway is being made by using new technologies such as multimedia and the Internet. What sorts of technologies are they? They are not brilliantly innovative technologies, but only the application of technologies that are in current use, such as semiconductors, computers, and telecommunications technologies. A new idea and highly sophisticated software are central to such an application.

The development of a new concept and sophisticated software is usually taken on by venture businesses—like Cisco in Internet-related business. This is possible without large-scale and advanced research equipment. A gifted person and a small company are all that is needed.

What on earth is involved with the construction of the information superhighway? Finding an answer to this question is an essential task for information society-type technologies. While innovative devices and telecommunications systems, if they become available, will play a great role in promoting the construction of the information superhighway, even if they do not, the construction of the information superhighway will certainly take place.

The biggest problem facing Japanese research and development is the fact that almost everything is dominated by universities, national research institutes, and big corporations; these organizations are strongly hardware-oriented; and their research is confined to hardware development and is not in the direction of developing flexible concepts and software that can cope with practical needs.

Of course, working toward the goal of hardware innovation is important, but if it fails, the chances are that Japan will end up playing only a marginal role in the field of information society-type technologies. However, the construction of the information superhighway, in which multimedia serves as the pillar, can be applied to various fields. If the technology is widely applied in many fields toward Japan's version of the information society, the overall level of Japan's technological capabilities can be raised to a high standard.

This role will be played by venture business and small- and medium-sized companies rather than big corporations. The question is whether those companies can acquire the technological strength to apply such technologies.

Change to "Field" Technology From "Individual" Technology

We must correctly recognize the era of high-tech mass-market products—such as automobiles, home appliance electronics, office automation equipment, cameras, and watches—will come to an end as a result of change in the industrial society-type technology. This will be caused by the saturation of domestic demand, the maturity of technology, and the decline of international competitiveness due to the strong yen.

As industrial society-type technologies change, it is crucial to consider what Japan's level of technology should be. Is it possible to maintain the level of technological strength by simply improving performance and quality, and making cost reduction efforts?

There seems to be a change in what is expected of this kind of technology. This means that performance and quality will no longer be absolute criteria. As it can be already seen in the auto industry, the reason for the increasing popularity of imported cars in Japan is that they have their own character. Character, at a time when products become mature and sophisticated, is also a form of technology.

On the other hand, high-tech mass-market products will spread in Asia. As they become widely available in Asia, their performance and quality will not be questioned much as far as they meet a certain standard, and customers will begin to prefer low-price products.

As a result, losing an edge in price competition due to the strong yen will be serious. In addition, if the situation continues in which Japanese firms work very hard to prevent their products from being beaten by Western or, increasingly, Asian products, Japan's exports will not decrease and the yen's appreciation will continue, making it harder for Japan to compete with its growing rivals. The very effort to maintain technological strength is hurting Japan.

Therefore, for industrial society-type technologies, it has becomes necessary to change direction.

There are several directions it can take. One direction is to make special and high-quality products. In this way, price competition with other Asian nations, which are undergoing a great deal of industrialization, can be avoided.

The production of high-quality, specialized goods is a natural course that many companies will take. So I would like to propose a new direction based on a new conception. That is a change from "individual" to "field" technology.

Technology can be classified as "individual" or "field." An example from the automobile industry illustrates this point. An automobile is an "individual" technology, and its performance, quality, and design have greatly improved. While there should be various technologies for the automobile society in which this motor vehicle is used, not much progress has been made in such technologies. This is "field" technology, and it is far behind "individual" technology.

That is why various social problems such as traffic congestion, accidents, and pollution from exhaust fumes have become more serious. "Field" technology comprises many "social" technologies. Compared with "household" or "industrial" technologies, "social" technology lags behind. Thus, much room is left for the advancement of such technology.

The production of mass-market products—even of an advanced, high-technology product—is possible in any country in Asia if an enterprise is established and the latest equipment introduced. Even its cost will be extremely low.

However, even in industrial society-type technology, "field" and "social" technologies differ respectively depending on their "fields," and it is impossible to develop such technologies only with an enterprise and equipment. What is crucial is human resources, and it requires a very large number of brilliant people, rather than a few geniuses. However, developing a new area cannot be undertaken by rigid traditional organizations.

Whether industrial society-type or information society-type, the utilization of people in a flexible organization will be the key to revitalizing Japan's technological strength.

Takemura: Yen's Surge 'Has Gone Too Far'

OW1403015095 Tokyo KYODO in English 0122 GMT 14 Mar 95

[FBIS Transcribed Text] Tokyo, March 14 KYODO—Finance Minister Masayoshi Takemura said Tuesday [14 March] that the latest upswing of the yen against the U.S. dollar has gone too far.

"The rise of the yen (against the dollar) by 8 percent in a week is clearly overdone," Takemura told the House of Councillors Budget Committee in reply to a question from a lawmaker from the ruling Liberal Democratic Party.

In early Tokyo trading Tuesday, the dollar was quoted at 90.75-77 yen. The U.S. currency began its nosedive against the yen earlier this month, when it stood at around 97 yen.

Asked to comment on reports that the Group of Seven industrialized nations may hold an urgent meeting of finance officials to discuss exchange rates, Takemura stopped short of making it clear whether or not such a meeting will be held.

"If such a meeting is held, specific results must be achieved. If no results come out of such a meeting, that could have an impact on financial markets," Takemura said.

Takemura dodged a question about whether the official discount rate should be cut as a way to halt the yen's rise.

"It's up to the Bank of Japan to decide whether to change the official discount rate, so I cannot comment," Takemura said.

Increased Exports Raise Trade Surplus Again

OW1403092295 Tokyo KYODO in English 0833 GMT 14 Mar 95

[FBIS Transcribed Text] Tokyo, March 14 KYODO—Japan's merchandise trade surplus in February rose again after a sharp yearly drop in the previous month as exports notably increased following a tiny growth in January due to paralysis of the port of kobe which was wrecked by the Jan. 17 great Hanshin earthquake, the Finance Ministry said Tuesday [14 March].

The February trade surplus grew 5.3 percent from a year earlier to 11.46 billion dollars, compared with a 53.5 percent yearly drop in January, the ministry said in a preliminary report.

The surplus growth figure turned to the plus column mainly because exports suspended from the quake-hit Kobe port resumed from other ports in February, a ministry official said.

The recent downtrend in Japan's trade surplus may remain unchanged, the official said, while pointing to the need to watch developments in March and by closely examining effects of the yen's renewed surge against the dollar early this month.

"At this stage, we cannot tell at which levels the yen's value will be stabilized or how much impact it will have on exporting prices," he said.

On a customs-cleared basis, exports in February increased 19.5 percent to 35.36 billion dollars and imports grew 27.8 percent to 23.90 billion dollars.

The trade surplus with the U.S. rose for the fourth straight month, up 12.9 percent from a year earlier to 4.89 billion dollars.

The trade surplus with the European Union decreased from a year before for the third consecutive month, down 14.2 percent to 2.00 billion dollars, while that with Asian nations rose for the first time in two months, up 48.1 percent to 6.49 billion dollars.

Exports to Asian nations jumped 35.6 percent in reaction to limited exports in January as exports to the region, mainly shipped from the Kobe port and suspended after the quake, quickly resumed from other ports early in February, the official said.

In February, the dollar was quoted at an average 99.17 yen, down 9.9 percent from 109.03 yen for the corresponding month last year, according to the ministry.

In volume terms, exports increased 11.3 percent after a 6.3 percent fall in January, while imports rose 16.8 percent, marking the 22nd consecutive month of yearly gains.

By product, exports of electronic parts like semiconductors continued increasing, up 41.4 percent, with those of integrated circuits (ICs) growing 40.7 percent.

Exports of chemicals increased markedly, with organic compounds up 39.1 percent and plastics up 54.4 percent, since the United States and European nations could not afford exports of these products because of their economic recovery, the official said.

Exports of engines grew 29.4 percent, while those of automobiles edged up 7.1 percent with the volume falling 1.2 percent to 386,066.

Imports of automobiles more than doubled, up 129.7 percent, and jumped 120.1 percent in volume terms to 31,211 vehicles, because the number of imports in the corresponding month last year was very small at about 14,000 vehicles, the official said.

Imports of crude oil also rose 28.7 percent with its market price up 21.3 percent to 17.99 dollars per barrel from 14.83 dollars a year earlier, he said.

JDB Predicts Capital Investment Growth

OW1403074995 Tokyo KYODO in English 0725 GMT 14 Mar 95

[FBIS Transcribed Text] Tokyo, March 14 KYODO—The governmental Japan Development Bank [JDB] said

Tuesday [14 March] that corporate capital investment will grow in fiscal 1995, reflecting economic recovery.

The bank said investment planned by corporations in manufacturing and nonmanufacturing sectors totals 27,107.9 billion yen, a modest 0.3 percent gain from the preceding year's estimate.

Their investment dropped by an estimated 4.7 percent in fiscal 1994 ending this month, the bank said.

If volatile investment plans by electric utilities are excluded, the figure remains unchanged at 21,622.0 billion yen, it said.

The bank said investment planned by manufacturers in fiscal 1995 totals 8,408.6 billion yen, up 3.8 percent, while the figure for nonmanufacturers is 1.3 percent lower at 18,699.3 billion yen.

Capital investment planned by major electric power utilities amounts to 5,485.9 billion yen, it said.

The bank said most corporations revised their investment plans for fiscal 1995 upward by 1.6 percent after the previous survey was conducted in August last year.

The manufacturing sector upgraded its investment plan by 5.6 percent from the previous survey, while the nonmanufacturing sector raised the plan by 0.7 percent, the bank said.

BOJ Allows Interest Rates To Decline

OW1303142095 Tokyo KYODO in English 1235 GMT 13 Mar 95

[FBIS Transcribed Text] Tokyo, March 13 KYODO—The Bank of Japan [BOJ] boosted the money supply on the short-term money market Monday [13 March], allowing interest rates to decline, market sources reported.

The sources said the central bank considers it undesirable for interest rates to rise amid the stern economic environment resulting from the yen's steep appreciation and slumping stock prices.

The bank took the action as demand for funds grows toward the fiscal year-end on March 31.

An official at the Long-Term Credit Bank of Japan said Monday's action by the central bank heralded its full-fledged drive to guide interest rates lower in the future.

The rate on three-month certificates of deposit dipped 0.05 percent from Thursday to 2.13 percent, hitting the lowest level since July last year, brokers said.

They said short-term interest rates have eased in recent days amid speculation that they will decline further.

The central bank is concerned that the recent steep rise in the value of the Japanese currency will adversely affect recovery of the domestic economy, the sources said.

The central bank apparently changed its basic stance and is guiding interest rates lower, commercial bank officials said.

Economy on 'Recovery' Path Despite Quake

OW0903234295 Tokyo KYODO in English 2327 GMT 9 Mar 95

[FBIS Transcribed Text] Tokyo, March 10 KYODO—Japan's economy remains on "a gradual recovery trend" as adverse effects of the devastating earthquake in western Japan on Jan. 17 have been limited, the Economic Planning Agency (EPA) said Friday in a monthly economic report.

The closely watched economic judgment in the March report is almost identical to that issued in February, except the EPA said the impact of the great Hanshin earthquake has been seen in some sectors.

However, an agency official said the quake's impact on the national economy so far remains limited, judging from present economic statistics, and it has not been big enough to change the agency's economic judgment.

The quake partly contributed to January falls in private consumption, production and external trade, the report said.

The official noted, however, it is becoming difficult to see the quake's impact because of recent developments in financial markets such as the yen's renewed rise against the dollar and tumbling Tokyo stock prices.

The report cited "recent rapid fluctuations in foreign exchange rates" as one of the factors to be closely watched in managing the economy appropriately for a more steady recovery trend.

It is also hard to predict the impact of the yen's appreciation on the economy without watching further developments in the currency markets and policy measures by other nations, especially those under inflationary pressure like European countries, the official said.

Still, the official said the world economic situation is much better now than in 1993, when the yen sharply advanced against the dollar.

The report said personal consumption continues to recover moderately in general and housing construction is moving at a high level, but private corporate investment remains broadly sluggish.

Industrial production is on a gradual upward trend through some ups and downs, and corporate profits are generally improving, the report said.

Corporate management sentiment is recovering, except small and medium-sized nonmanufacturers, it said.

The official said recent declines in individual spending, partly due to the earthquake, could be temporary and did not signal a break in the recovery trend in consumption, especially of durable goods.

Cabinet Approves Earthquake Relief Measures

OW1403044195 Tokyo KYODO in English 0314 GMT 14 Mar 95

[FBIS Transcribed Text] Tokyo, March 14 KYODO—Prime Minister Tomiichi Murayama's cabinet approved Tuesday [14 March] bills designed to promote reconstruction of areas in Kobe and its surroundings devastated by the Jan. 17 earthquake.

They include a bill aimed at making it easier to rebuild condominiums destroyed or badly damaged by the quake by relaxing requirements for reconstruction of such buildings.

The bill, being sent to the Diet for approval, calls for the reconstruction to be approved by four-fifths or more of owners of condominiums and other multiple-dwelling buildings that collapse or are damaged as a result of natural disasters.

At present, owners in a condominium must unanimously agree to the rebuilding, a consensus that is often hard to achieve.

The bill will take effect one month after Diet approval, government officials said.

Also approved was a bill that will prevent businesses damaged by the quake from being declared bankrupt until Jan. 16, 1997, as an exceptional measure.

It will also postpone the deadline for raising the minimum capital of companies under stock ownership or limited partnership to required levels until March 31, 1997, instead of March 31 next year, as currently required.

The postponement will be applied to companies registered in Osaka and Hyogo Prefectures as of Jan. 17.

Finance Ministry To Set Up Discipline Organ

OW1303104795 Tokyo KYODO in English 1012 GMT 13 Mar 95

[FBIS Transcribed Text] Tokyo, March 13 KYODO—Vice Finance Minister Jiro Saito, in the wake of a financial scandal involving a troubled credit union and a questionable gift extended to a ministry bureaucrat, warned others in the ministry Monday [13 March] that those found guilty of similar acts would be punished.

Tokyo Customs House Chief Hiroaki Taya was removed from his post and transferred to the ministry's secretariat after he accepted a free flight to Hong Kong from Harunori Takahashi, former president of Tokyo Kyowa Credit Association. The credit firm is virtually bankrupt with a huge amount of bad loans.

Saito said at a press conference that he could not declare there would be no other incidents of questionable conduct, but said "Although I believe there will be no other cases, if one should come to light, similar action will be taken."

Earlier in the day, Finance Minister Masayoshi Takemura said he would reprimand or strictly warn six bureaucrats, including Taya.

Saito, who is among those given a strict warning due to his failure to effectively supervise those in his ministry, said, "It is my duty to never repeat such a thing."

Saito said it is difficult to draw the line at accepting private entertainment and to judge whether it goes beyond the moral bounds of public servants or is accepted by society.

He said the ministry would therefore set up a Discipline Maintenance Commission to address the issue and make concrete conclusions as soon as possible.

Saito said Taya's demotion was decided in line with the weight of social criticism.

Takemura on Punished Officials

OW1403034395 Tokyo KYODO in English 0251 GMT 14 Mar 95

[FBIS Transcribed Text] Tokyo, March 14 KYODO—Finance Minister Masayoshi Takemura on Tuesday [14 March] downplayed criticism that the ministry's punishment of senior officials, over links with the former head of a credit union at the center of a financial scandal, was too lenient.

Takemura said at a news conference, "A reshuffling of personnel is exceptional. It's a shocking and painful measure for the person involved, who must be feeling bitterness beyond description."

On Monday, Takemura announced that he was reprimanding and strictly warning six officials, including Tokyo customs house head Hiroaki Taya, who was removed from his post and transferred to the minister's secretariat for having accepted a free flight to Hong Kong from Harunori Takahashi, former president of Tokyo Kyowa Credit Association.

Takemura said it is a very important theme for the ministry to maintain the moral fiber of civil servants, and said his ministry consequently set up a discipline maintenance commission.

Although it is difficult to judge when ministry officials' private deeds go beyond the moral bounds of public servants, the issue should not be left untouched, Takemura said.

He said every effort should be made to avoid any social criticism in the future, though, he added, it might be impossible to entirely avoid such failings.

Coalition Plans To Split Export-Import Bank

OW1203075195 Tokyo KYODO in English 0710 GMT 12 Mar 95

[FBIS Transcribed Text] Tokyo, March 12 KYODO—The ruling coalition is putting the final touches on a scheme to break up the governmental Export-Import [Ex-Im] Bank of Japan as part of plans to streamline public corporations, but it remains open to tough wrangling with bureaucrats.

According to coalition officials, the scheme most likely to be adopted calls for splitting the bank into two operations to be absorbed by two other governmental financial institutions—the Overseas Economic Cooperation Fund (OECF) and the Japan Development Bank (JDB).

Under that plan, export and import financing operations would be taken over by the OECF and those related to untied loans—loans which need not be used for purchases of goods and services from Japanese firms—would go to the JDB, they said.

A top coalition official has said the coalition intends to nail down a final plan by around March 20 so that it can be made public before local election campaigns that begin around that time.

Prime Minister Tomiichi Murayama had pledged to axe 10 percent of the nation's 92 special public corporations by Feb. 10, but the deadline was not met due to disagreement over which corporations would be cut.

The government has decided to postpone adoption of a final plan by June, with the issue now centering on what to do with three huge public financial institutions, including the Ex-Im Bank and JDB.

The Finance Ministry has strongly opposed splitting the Ex-Im Bank, which is under its jurisdiction and whose president is customarily a former ministry bureaucrat.

Outspoken Vice Minister of Finance Jiro Saito was reported to have criticized plans to merge the Ex-Im Bank and OECF as something like "a merger between a noodle shop and a curry shop," adding fuel to the row between ministry bureaucrats and coalition lawmakers.

The presidents of the JDB and Ex-Im Bank, both former Finance Ministry vice ministers, are apparently working against the split, dodging questions at a hearing held by a coalition panel on administrative reform earlier this week, coalition officials said.

A lawmaker from Murayama's Social Democratic Party [Social Democratic Party of Japan—SDPJ], angered by JDB President Yoshihiko Yoshino for dodging panel members' questions, stormed out of the room, saying "it's meaningless to hear any more," they said.

They said Finance Minister Masayoshi Takemura from New Party Sakigake, part of the tripartite coalition, may find his leadership tested over the issue.

OECF Merge Approved

OW1403124995 Tokyo KYODO in English 1214 GMT 14 Mar 95

[FBIS Transcribed Text] Tokyo, March 14 KYODO—The leaders of the three-party coalition government Tuesday [14 March] agreed to integrate the Export-Import [Ex-Im] Bank of Japan into the Overseas Economic Cooperation Fund (OECF) four years from now, government officials said.

The agreement was reached at a meeting between Prime Minister Tomiichi Murayama, Finance Minister Masayoshi Takemura and Economic Planning Agency Chief Masahiko Komura as well as members of the three coalition parties, based on a report submitted by a working team of the ruling coalition conducting a review of governmental lending agencies.

The report called for separating lending operations for developing countries from the Ex-Im Bank and integrating them into the services of the OECF and the Japan International Cooperation Agency (JICA).

The remaining operations of the Ex-Im Bank, namely the financing of exports, imports and investment, will be taken over by the Japan Development Bank in the future, the officials said.

They also agreed that the government will draw a clear line between accounts for official and nonofficial development assistance and establish an efficient system to contribute to international society.

After the meeting, Takemura told reporters the merger may not contribute to a remarkable cut in government expenses as expected under the ongoing administrative and financial reform.

"I cannot say it will produce significant financial effects," Takemura said.

On the other hand, there is a possibility of their business expanding further because of international demand, as far as finances can afford, he said.

Takemura said that within four years the government will try to win understanding especially from developing countries, while estimating specific rationalization effects.

While saying it was possible that other government-affiliated financial institutions could also be reformed, Takemura stopped short of saying he expected other government ministries or agencies to follow the Finance Ministry's decision.

In order to achieve real expenditure cuts, it is necessary to discuss the nation's whole investment and loan program, which finances government-affiliated corporations, he said.

For rationalization of the Japan Development Bank, which the ruling coalition parties have urged as the next step, Takemura said, "we will study what can be done, though I cannot say at the moment that I'm either positive or negative."

Many Companies Plan To Freeze Starting Wages

OW1303141995 Tokyo KYODO in English 0837 GMT 13 Mar 95

[FBIS Transcribed Text] Tokyo, March 13 KYODO—Forty percent of Japanese companies responding to a survey plan to freeze the starting pay this year for university graduates at last year's levels, a poll published Monday [13 March] said.

Recruit Research Co., which conducted the survey, said the rate was the highest on record, eclipsing the 17.9 percent recorded last year.

The survey was based on questionnaires sent to 1,200 major companies, both listed and unlisted on stock exchanges. Of them, 281 responded.

Nearly 90 percent said they will either freeze the starting pay or will limit a raise in starting wages to less than 2 percent.

The average monthly starting pay would be 193,708 yen, 0.8 percent higher from last year, according to the survey. The growth rate was the lowest on record and was down 0.5 point from last year.

Recruit said an increasing number of companies, faced with poor financial performance, are trying to cut costs by curbing the growth in starting wages.

Wage Increases Lowest in Postwar Period

OW1403082895 Tokyo KYODO in English 0749 GMT 14 Mar 95

[FBIS Transcribed Text] Tokyo, March 14 KYODO—Japanese labor unions are likely to settle for annual wage increases of 2-3 percent, the lowest in the postwar period, in negotiations with managements this spring, industry sources said Tuesday [14 March].

The unions received pay hikes averaging 3.13 percent last year.

The unions of Toyota Motor Corp. and 17 major electronics manufacturers—the traditional pace-setters in annual wage negotiations—are likely to accept lower wage hikes this year than last year, the sources said.

The Toyota union is expected to settle for wage hikes averaging less than 9,000 yen a month, down from 9,200 yen or 2.99 percent last year, the sources said.

Unions at large electronics makers such as Hitachi Ltd. and Matsushita Electric Industrial Co. are likely to accept wage hikes of 2.8-3.0 percent, down from the record low of 3.05 percent last year, the sources said.

The 17 major electronics companies in Japan are expected to post total pretax profits of 580 billion yen in the business year ending March 31, up 55 percent from the previous year, but cite a surge in the yen's value as a reason to curb their wage hike offers to less than 3 percent.

The unions at IBM Japan Ltd. and Nippon Telegraph and Telephone Corp. (NTT) had earlier agreed to wage hikes averaging 2.8 percent each.

Defects of Japanese Phone Charge System Cited

OW1403084795 Tokyo NIHON KEIZAI SHIMBUN in Japanese 9 Mar 95 Morning Edition p 13

[Part 2 in the series "The Telecommunications Industry Is In Danger—A Barrier of 'Industrial Laws'" by telecommunications issue survey team; this installment entitled: "New Service Breaking Regulations—Letting a Little Daylight Into Telephone—the Fee System"]

[FBIS Translated Text] When using a cellular phone, it is cheaper to make a call via the United States. With the yen's appreciation as a background, the number of "call-back service companies"—engaged in international telephone service at the price of one third or a quarter of that of Kokusai Denshin Denwa Co., Ltd. (KDD) or other telephone service companies—are rapidly increasing. Their target is the rapidly growing portable personal phone market in Japan, whose telephone charges are extremely expensive when compared with those of foreign nations.

A Quarter of KDD's Charge

Call-back service is a telephone service that changes a telephone call dispatched in Japan to a call dialed from the United States via a switchboard in the United States. When using this service, a caller needs to place a call then hangs up the receiver to await a return call to be made in about 10 seconds. But the charge is far cheaper than that of an official phone call in Japan because many telephone circuits in the United States are open to telecommunications business and a call will be sent through one of these circuits.

For example, in the case of Chiyoda Industries (in Tokyo), which newly entered the market last October under the name of "Telemetric" [as published], its charge for an international telephone call to the United States is Y52.5 [yen] per minute, and it will be about a quarter of KDD's charge for a three-minute call in the daytime of weekdays. Company president Tetsuji Yamada said: "Not only is the cost of our service low but we are also cutting expenses because our service has been known by word of mouth without any advertisement. In this sense, our service must be the cheapest among the call-back service companies." Gaining mid-sized trading companies, travel agencies, and embassies as its customers, it's monthly turnover has already reached approximately Y200 million.

Moreover, even for a domestic call, there are cases when making a call via the United States is cheaper than using a domestic service. Under the call-back system, a call dialed from Japan has to be received in the United States and then sent back to Japan. But its charge is Y85 per minute at the conversion rate of Y100 to the dollar, and if yen rises further, the charge will be much cheaper. In contrast, when a portable personal phone user makes a call under the "low call" system—the basic charge of which is inexpensive and many cellular phone users are using this service—he will be charged Y110 to Y200 per minute for a domestic call during daytime on weekdays.

"The phone charges will be much lower if customers increase. Our next target is a toll call. For KDD's chief Yamada, expensive charges for cellular phone calls are a big business risk.

Thanks to "price slashing" of portable personal phones and a decline in subscription and basic charges, portable personal phones are increasingly becoming popular. In fact, such a decline is related to the higher telephone charges.

What has mainly made portable phones available at inexpensive prices is subsidies offered to salesmen by phone service companies, but the source of such subsidies is the telephone charges. With a "low call" contract made with customers, the phone service companies, instead of lowering the fixed basic charge to about a half of the regular charge, set the fee for telephone calls 1.6 times to twice higher than the basic charges, thus eventually gaining profits. While giving "guidance" to phone service companies to lower the basic charges in an effort to popularize portable personal phones, the Posts and Telecommunications Ministry [PTM] has tolerated the expensive fee for telephone calls, thus guaranteeing profit.

Only First-Class Companies Subject to Ministry Approval

Taking advantage of the "low call" system's weak points, the "call-back" system has made clear the strain of the telephone charge system approved by the ministry.

The telecommunication service fee in Japan in the area of local and toll calls, international calls and cellular calls—wherein telephone charges for those service are separately set by phone service companies—have been approved by the ministry based on the "full-cost system" which bases its calculation on all the cost needed for service. As conditions for approval, it is stipulated in the Article 31 of Telecommunications Business Law that the telephone charges "should be fair and appropriate in the light of adequate cost under efficient management" and that "the cost calculation method should be fairly and specifically established."

However, the approval system is applied only to first-class telephone service companies, which have their own service equipment, such as Nippon Telegraph and Telephone Corporation (NTT) and KDD. Call-back service companies, which do not need to be classified even as second-class, are apparently outside the reach of the law. Price-cutting offensives by nonregulated companies appear to be attempts to dismantle the conventional business structure in which the first-class companies operate.

Ministry Remains Irresolute

Officials of the Telecommunications Bureau of the PTM said: "Under the Telecommunications Business Law, we have never assumed that (call-back) services would appear. We are paying attention to how this issue will be discussed at a study meeting of the International Telecommunications Union (ITU)." Thus, it appears that the PTM is completely at a loss on how to deal with the issue.

This April, the PTM will lift the ban on linking local public telephone lines with leased company phone lines. This is likely to create business opportunities for new companies.

Lifting the ban on linking local lines is a first step to a complete opening of phone lines between cities. The PTM aims to eliminate remaining regulations by 1997. Under the new system, an Osaka-based company will be able to drastically cut costs of conducting sales promotion and receiving orders from Tokyo customers by utilizing its own leased lines and local lines in Tokyo.

Although the PTM estimates that the lifting of the ban on connecting public lines with leased lines will create a market worth 500 billion yen by the year 2000, it means that there will be another telephone service that is outside the ministry's control.

At present, the PTM approval system for fees is applied to about 150 services. In line with the deregulation trend, the PTM is working out a plan to cut its regulated services in half in preparation for each ministry's announcement of its own deregulation plan on 10 March, under the government's five-year deregulation program. The ministry plans to cut regulations particularly in such areas as value-added services (including call-waiting), and discount services. But the plan does not include basic services. In this sense, the ministry still maintains an irresolute attitude toward deregulation.

However, if regulations are eased even partially, it would lead to the creation and development of many new phone companies. Rapid progress has been made in technical innovation and the internationalization of telecommunications. The rapid rise in the yen's exchange rate will accelerate the progress. Therefore, the day for the demise of laws which used to be solid might not be too distant in the future.

Article Previews H-2 Rocket Launch

OW1303143295 Tokyo NIHON KEIZAI SHIMBUN in Japanese 13 Mar 95 Morning Edition p 17

[By science reporter Yoshio Nagata]

[FBIS Translated Text] Japanese scientists will attempt the third launch of the H-2, the first domestically developed large- scale rocket, from the National Space Development Agency's [NASDA] Tanegashima Space Center (located in Kagoshima Prefecture) on 15 March. The rocket will try to place into orbit two satellites: the "GMS-5," which will replace the Himawari-4 weather satellite, and the so-called "Free Flyer" (SFU) [Space Flyer Unit], which will perform experiments and conduct observations using the low-gravity space environment. Since last summer, Japan's space program has been plagued by successive satellite launch failures. Launching of the third H-2 rocket was also postponed for about six weeks due to problems with the SFU. Can Japanese space scientists regain their confidence? We shall learn that in two days time.

With the third launch of the H-2, Japanese scientists plan to try out several things they have never before attempted. One of these is to try to use the H-2 to place into orbit two satellites which will be used for practical operations.

Multiple-satellite launches have been attempted in the past. The first H-2 rocket launched last February carried aboard it the "Ryusei," which was used to conduct reentry experiments, and the "Myojo," which was equipped with devices to measure and confirm the rocket's performance. The difference with the next H-2 launch is that the two satellites aboard the rocket must be placed into orbit accurately, as well as conduct observations and perform experiments for a considerable length of time.

The Himawari-4 weather satellite launched in 1989 is nearly out of fuel. Unless a replacement satellite is launched, not only will Japan's weather forecasting capability be affected, but the flow of meteorological data provided to Asian and oceanic regions will also be interrupted. The SFU is not expected to directly affect the Japanese people's livelihood. However, it is part of an international cooperative project in which there are plans for Koichi Iwata, a Japanese astronaut who is to be aboard the U.S. space shuttle next November, to retrieve it in space.

If the upcoming H-2 launch is successful, Japanese scientists will be able to uphold the reliability of their rocket launch technology which has a fair record of no major failures so far. This will also wipe out the stain left on the records by the technological experiment satellite "Kiku-6," which failed to go into proper orbit last August due to problems with parts of the satellite itself. On the other hand, a possible failure of the next H-2 launch would have extremely serious consequences.

The combined weight at liftoff of the two satellites to be loaded aboard the H-2 is about 4.5 tons, making it the rocket's heaviest payload ever. For this reason, two auxiliary (SSB) [expansion unknown] solid-fuel booster rockets have been attached to the sides of the H-2's first stage. This is the second point which sets the upcoming H-2 launch apart from the previous launches.

The SSB's will be set to ignite 10 seconds after the H-2 lifts off its launch pad, and will fire for about one minute. According to the NASDA, "the addition of the SSB's increases the H-2's performance by 250 kilograms in terms of the weight of satellites it can place into geostationary orbit" (as stated by Eiji Sogame, deputy director of the Space Transportation System Headquarters).

Furthermore, since the SFU's dimensions exceed the diameter of the H-2 rocket, the fairing at the tip of the rocket where the satellite is housed has been changed to one that measures 5.1 meters in diameter, making the rocket appear bloated at the top.

As another first in the history of Japanese rocket development, drastic changes have been made this time in the procedure involved in procuring the rocket. Instead of the previous system of NASDA placing orders with individual rocket makers, NASDA decided that regarding the procurement of the third of the H-2 rockets, it would place the order entirely with Rocket System Corporation [RSC] (based in Tokyo, with Takaaki Yamada as president), a space industry consortium. Under the new system, RSC will handle the maintenance work on the H-2 at the launch site and will turn over the rocket to NASDA after it has been assembled. RSC executive vice president Hiroshi Inamura explained: "The upcoming launch will mark the conclusion of the developmental stage. The next launch after that will open the way to commercial use of Japan's rockets."

The addition of the SSB's and modifications to the rocket's fairing hold great significance for the RSC. With Europe's Ariane rockets leading the race, the United States, PRC, and Russia are engaged in fierce competition for the world's space business.

In order for Japan, which is a newcomer in this business, to emerge victorious in this race, it will be necessary to be able to respond to customers' diverse needs by securing wide-ranging launch capabilities. The launching of the third H-2 will be an excellent opportunity to show the flexible range of the rocket's capacity, and as such, it is desired, at all costs, that the launch be successful.

The GMS-5's functions are nearly identical to those of the Himawari-4. As a new feature, the GMS-5 will be equipped with a device to relay distress signals transmitted by naval vessels during emergencies. The Ministry of Transport plans to conduct experiments with this feature. If all goes well, the GMS-5 will become operational in mid-June, and viewers will be able to see pictures of cloud formations on their television sets in their living rooms.

Meanwhile, the SFU will be equipped with a total of 14 devices for performing experiments and conducting observations. Among planned experiments are engineering tests of devices to be installed aboard a space station to be completed around the early 2000's and designed to perform experiments there, production of compound semiconductors to be used in solar cells, and observation of egg-laying by newts and the hatching of the eggs.

Originally, the H-2 was to be launched on 1 February. However, the launch was delayed considerably due to problems with the SFU. Regarding the effects of the postponement, it is observed, on the one hand, that "preparation is complete now that exhaustive, repetitive checks have been conducted." On the other hand, however, it is also observed that "making schedule changes just before the launch will subtly affect the morale and concentration of the workers." Nevertheless, it is certain that many of the officials concerned will remain nervous until 15 March, the day of the launch.

Launch Postponed

OW1403033995 Tokyo KYODO in English 0329 GMT 14 Mar 95

[FBIS Transcribed Text] Tokyo, March 14 KYODO—The third launching of Japan's H-2 rocket will be postponed until Saturday [18 March] because of a fault in a position-controlling system, the National Space Development Agency said Tuesday.

The agency had planned to blast off the rocket from the space center on Tanegashima Island, about 1,000 kilometers southeast of Tokyo, at around 5:00 P.M. [0800 GMT] Wednesday.

The third launch of an H-2 rocket, the first major space vehicle developed and manufactured entirely in Japan, was initially set for Feb. 1, but has been rescheduled twice due to mechanical problems.

North Korea

More Criticism of ROK 'Suppression' of Funeral

SK1403054795 Pyongyang KCNA in English 0505 GMT 14 Mar 95

["Anti-Ethical Repression"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 14 (KCNA)—MINJU CHOSON today denounces the Kim Yong-sam group's suppression of the members of the funeral committee who took part in the funeral service for unconverted long-term prisoner Yun Ki-nam of guerrilla origin as an act which can be done only by the "civilian" fascists who know nothing but sword-brandishing without ethical morality.

The news analyst says:

In light of the fact that South Korean people called the deceased Yun Ki-nam a "patriotic fighter" and buried him in the cemetery of Mangwol-tong where the victims of the Kwangju popular uprising were laid to rest, it is clear that he was a pro-reunification patriot who devoted his all to the struggle for the country, the nation and the people and an indomitable fighter who did not abandon his idea, faith and principle. The South Korean puppets put the patriot behind bars, and killed him through persecution and suppression. This is a criminal act which can never be tolerated.

Not satisfied with this, the Kim Yong-sam group, taking issue with his burial in the cemetery of Mangwol-tong and even those who held the funeral service for him, threatened to detain them and take a "legal action" against them by invoking the "National Security Law [NSL]." This is a thrice-cursed atrocity and proves that the Kim Yong-sam group is, indeed, a fascist bandit without an equal and a herd of vicious villains. And this shows that the "National Security Law", a notorious anti-communist fascist law, has become more rampant under the present "regime".

The Kim Yong-sam group must immediately abolish the "NSL", release all the unconverted long-term prisoners at once and send back old Kim In-so, Ham Se-hwan and Kim Yong-tae hailing from the northern half of Korea to the bosom of their families and relatives as soon as possible.

Commentary Denounces ROK Actions

SK1403104695 Pyongyang Korean Central Broadcasting Network in Korean 1224 GMT 13 Mar 95

[Commentary: "Brutal Acts To Be Cursed for A Thousand Years"]

[FBIS Translated Text] The Kim Yong-sam ring in South Korea recently drew a sword of oppression and is roaring at the people who buried a deceased unconverted long-term prisoner with a partisan background at Mangwol-tong Cemetery, where victims of the Kwangju people's uprising were buried.

According to reports, some time ago, upon the death of Yun Ki- nam, an unconverted long-term prisoner with a partisan background, the South Korean people formed a funeral committee and held his funeral at Mangwol-tong Cemetery in Kwangju. At the funeral, they called the unconverted long-term prisoner Yun Ki-nam a patriotic fighter and wrote funeral odes on the banners in memory of him.

Using the infamous National Security Law, the puppets are trying to put the chairman of the executive committee and many other members of the funeral committee in fetters of vicious suppression, while talking about some thorough investigation and judicial settlement. How vicious and ruthless!

The fact that he was an unconverted long-term prisoner with a partisan background, and the fact that the funeral committee called him a patriotic fighter and buried him at Mangwol-tong Cemetery, prove that Yun Ki-nam was undoubtedly a patriotic fighter for reunification, who devoted his everything to fight for the country, the nation, and the people.

It is an intolerable crime that the South Korean puppets imprisoned, oppressed, and sometimes killed those who defended their own ideology, faith, and fidelity, and who fought for justice. It is also devilish not to allow Yun to be buried at the cemetery where patriotic souls rest in peace. What cannot be overlooked is the fact that the Kim Yong-sam ring is even finding faults with those who arranged the funeral and is seeking judicial settlement on charges of violating the National Security Law.

Arranging a funeral for a deceased is only fair from a human and ethical point of view. It is a moral custom of our nation that has descended generation after generation. Nevertheless, the Kim Yong- sam ring is wielding the National Security Law and talking about some judicial settlement, evidently proving itself to be a group of rude barbarians and fascist villains. The Kim Yong-sam ring's own acts have plainly disclosed its nature of being a group of rare and ugly human beings and traitorous and fascist tyrants, who know nothing but wielding the sword, abandoning all the ethics and morals. No matter how the puppets put on the make up of florid language talking about some civilian politics, it is merely a deceptive tactic to confuse the people. The Kim Yong-sam ring did not hesitate to torment, suppress, and even kill those who fight for independence, democracy, and reunification, and now it is making those who buried a victim of the fascist dictatorship a target of its sword. The crimes of the Kim Yong-sam ring cannot be pardoned in 10,000 years. The people will never tolerate the Kim Yong-sam ring's cursed crimes and savage acts.

The dreadful reality in South Korea again proves the seriousness of the human rights issue in South Korea and the urgency of a resolution for the issue of unconverted long-term prisoners. If we leave the unconverted long-term prisoners under the fascist and oppressive ruling of such villains like the Kim Yong-sam ring, no one would know what disaster would follow. The Kim Yong-sam ring should abolish the National Security Law—the infamous anticommunist fascist evil law—release all unconverted long-term prisoners being unfairly arrested, and return old people whose home towns are in the northern half of the Republic, like Kim In-so, Han Se-hwan, and Kim Yong-tae, to their families and relatives without delay. If the Kim Yong-sam ring turns its back on the aspiration and demand of the times and the people, and continues to stride on the road of inhumane crimes, it will pay a dear price.

Paper Urges 'Reunification Through Confederation'

SK1403000595 Pyongyang KCNA in English 2222 GMT 13 Mar 95

["Proposal for Reunification Through Confederacy Is Best Way of Reunification in 90s"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 13 (KCNA)—NODONG SINMUN today carries an article stressing that the proposal for reunification through confederacy put forward by the great leader President Kim Il-song in his lifetime is the best way of reunification in the 90s.

This proposal is the best way for solving the question of national reunification most rapidly because it indicates the most correct way for resolving the reunification question independently and peacefully with the concerted efforts of the nation in keeping with the demand and interests common to the nation under the condition that different ideas and systems actually exist in the North and the South of Korea, the author of the article says.

The article quotes the great leader Comrade Kim Il-song as saying:

"The method of reunification through confederation based on one nation, one state, two systems and two governments means to achieve reunification by establishing one united national state over the different systems and governments in the North and South, leaving them as they are."

The proposal for reunification through confederation is the most reasonable way of reunification to realize national unity, transcending differences in ideas and systems with the main stress on the demand and interests common to the nation.

The reunification question of Korea is a matter to achieve the sovereignty of the nation on a nationwide scale by reconnecting the two parts of the temporarily divided country and an issue to achieve national unity.

Korea has been divided for half a century by the outside forces but its national commonness remains unchanged and it is still homogeneous nationally. If there is anything different between the North and the South, it is heterogeneity based on the different systems which have existed for half a century. But it can be not a big problem, compared with the national commonness and homogeneity which have been formed and consolidated for thousands of years. The two systems can coexist within the bounds of one nation, one united state on all accounts if they are based on the national commonness which has been formed and consolidated through history.

The South Korean ruling quarters which regard division as a method of existence insist on "state alliance" under the pretext of "recognition of entity" because the two different systems and governments exist in the North and the South. In fact, this cannot be construed otherwise than to legalize and freeze division.

They also assert the "theory of unifying systems" by one system on the pretext that "homogeneity" should be restored to reunify the North and the South which have become "heterogeneous". This is a doctrine to prolong division and an anti-reunification doctrine designed to block the reunification of the country at any cost. Moreover, to unify systems, no matter what the way of its realisation is, is unacceptable to any side as it is to conquer the other side. If one is to force one's system on the other side, it will cause confrontation, conflict and irrevocable national disasters.

Whether our nation achieves its reunification in the 90s or not depends on confirming the proposal for reunification through confederacy as the way of reunification common to the nation and on how it is applied.

Recently, the joint meeting of the political parties and organisations of the Democratic People's Republic of Korea appealed to the political parties and organisations and compatriots from all walks of life in South Korea and overseas to jointly celebrate the 50th anniversary of the liberation of the country on August 15 this year, hold a grand national conference and discuss and confirm the common way of national reunification. This is, indeed, a just and timely step.

ROK Threats Against Trade Unions Alleged

SK1403103195 Pyongyang KCNA in English 1004 GMT 14 Mar 95

["NODONG SINMUN on Strike of S. Korean Transport Workers"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 14 (KCNA)—Bus trade unions in Seoul, Pusan, Taegu, Kwangju, Taejon and Inchon, six major cities of South Korea, held an emergency meeting a few days ago and denounced the authorities for turning down the demands of the union side for 16.7 percent increase of wages and 150 percent rise of bonus and declared they would launch a wholesale strike in the six major cities all at once, refusing to board buses.

This is a very righteous decision and just act of transport workers in South Korea for vital rights and democracy, a news analyst of NODONG SINMUN today says, and continues:

The transport workers of South Korea are now eking out with lack of sleep, fatigue and agony, driven hard like animal by the continued all-night shifts. This is their living condition today.

The Kim Yong-sam group, blaring that the decision of the bus trade unions in six major cities on the wholesale strike is "illegal one", threatens to take "strict measures" including "legal action against those who take the lead in the strike".

The Kim Yong-sam group intends to bring charges against the transport workers' decision on strike, linking it to the forthcoming "elections to local autonomous bodies".

It is afraid that the crisis of the "government" will become more serious with the spread of the struggle of transport workers all over South Korea.

If the Kim Yong-sam group thinks that bayonet- brandishing is a way out of the crisis, it is a miscalculation.

The South Korean workers will never vacillate or kneel down before bayonet-brandishing but intensify their struggle to have their just demands met.

ROK Student Awarded Diploma Posthumously

SK1403054295 Pyongyang KCNA in English 0426 GMT 14 Mar 95

["Diploma of Graduation to S. Korean Martyr"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 14 (KCNA)—A diploma of graduation was awarded to Pak Song-hui, who was a second-year student of the foodstuff nutrition course of Chonnam National University in South Korea, at the 35th graduation ceremony of Pyongyang University of Light Industry held on Monday.

Pak Song-hui burned herself to death after soaking her youthful body with thinner in protest against the fascists' murder of Kang Kyong-tae, a university student.

Her self-immolation showed that the dream of youth cannot be realised in South Korean society where fratricide is ceaseless and human rights are ruthlessly violated. It made the burning hatred for the fascist clique flare up like a volcano in the hearts of the South Korean people.

Pyongyang University of Light Industry registered Pak Song-hui, who devoted her youth to democratization of South Korean society and national reunification, as an honorary student of the foodstuff processing course of the Foodstuff Engineering Department on June 3, 1991.

Choe Hyo-chi, rector of the university, said in his report that Pak Song-hui is graduating from the university. "Although she died physically, she revived with the most precious political integrity ensured by the great leader Comrade Kim Chong-il and has made academic studies and followed the path of struggle, together with us," said the rector.

Han Song-chun, dean of the foodstuff engineering department, received the diploma in place of Pak Song-hui.

PRC Ministry Spokesman Cited on Armistice Issue

SK1103105095 Pyongyang KCNA in English 1029 GMT 11 Mar 95

[FBIS Transcribed Text] Pyongyang, March 11 (KCNA)—A spokesman for the Foreign Ministry of China told a weekly news briefing Thursday that the parties concerned should create conditions in favor of the replacement of the Korean Armistice Agreement by a peace mechanism.

On the setting up of a new peace mechanism on the Korean peninsula, the spokesman said there were great changes in the international situation and the situation on the Korean peninsula.

It, therefore, needs our coordination, he said, adding that it might be a mode to replace the Armistice Agreement with a peace mechanism.

He hoped that the parties concerned would find a negotiated solution to the dispute.

Choe Kwang Meets With PRC CPLA Delegation

SK1403050495 Pyongyang KCNA in English 0438 GMT 14 Mar 95

[FBIS Transcribed Text] Pyongyang, March 14 (KCNA)—Choe Kwang, chief of the general staff of the Korean People's Army, Monday met and had a friendly talk with a delegation of workers of external affairs of the Chinese People's Liberation Army (CPLA) headed by Sun Jiexiang.

The head of the delegation said that they were visiting Korea to develop through generations the Sino-Korean friendship cultivated by the great leader of the Chinese people Comrade Mao Zedong and Comrade Kim Il-song, the great leader of the Korean people and a close friend of the Chinese people.

Saying that the Sino-Korean friendship has been sealed in blood, he said that the party and army of China set great store by this friendship.

It is a consistent position of the party and the Government of China to consolidate and develop the friendship between China and Korea, he said, stressing that they would make all efforts to this end.

Pak Song-chol Meets With PRC Daily Delegation

SK1303045195 Pyongyang KCNA in English 0436 GMT 13 Mar 95

[FBIS Transcribed Text] Pyongyang, March 13 (KCNA)—Vice- President Pak Song-chol met and had a friendly talk with the delegation of GUANGMING DAILY [RIBAO] of China headed by president Xu Guangchun at the Mansudae Assembly Hall on Sunday [12 March].

The head of the delegation said that the Korean people under the wise leadership of Comrade Kim Chong-il are united in one mind and are striving to implement the behests of President Kim Il-song and to achieve prosperity and development of socialist Korea.

He said that the delegation was glad about the successes of the Korean people.

Chongnyon Leader, Tokyo Broadcasters Arrive

SK1103151495 Pyongyang KCNA in English 1504 GMT 11 Mar 95

[FBIS Transcribed Text] Pyongyang, March 11 (KCNA)—Hong In-hum, chairman of the Auditing Commission of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon), and his party arrived in Pyongyang today for a visit to the socialist homeland.

On the same day, a delegation of the Tokyo Broadcasting System, Inc. headed by its representative director and President Hirozo Isozaki came here.

WPK, Pakistan People's Party Delegations Meet

SK1103233095 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 8 Mar 95

[FBIS Translated Text] Talks were held between delegations of the Workers Party of Korea [WPK] and the Pakistan People's Party [PPP] at the PPP Central Secretariat office on 6 March. The talks were attended by members of the WPK delegation, led by Hwang Chang-yop, secretary of the party Central Committee; our country's ambassador to Pakistan; and members of the PPP delegation, led by Secretary General (Lapiq Ahummad Seiko). The talks were held in a friendly atmosphere.

Syria-Korea Parliamentarian Group Inaugurated

SK1303105595 Pyongyang KCNA in English 1000 GMT 13 Mar 95

[FBIS Transcribed Text] Pyongyang, March 13 (KCNA)—A parliamentarian group for friendship between the People's Council of the Syrian Arab Republic and the Supreme People's Assembly of the Democratic People's Republic of Korea was inaugurated in Damascus on March 7.

Muhammad Saad, general secretary of the People's Council, was appointed chairman of the group.

WPK Delegates Return From Nepal, Pakistan

SK1303045595 Pyongyang KCNA in English 0437 GMT 13 Mar 95

[FBIS Transcribed Text] Pyongyang, March 13 (KCNA)—The delegation of the Workers' Party of Korea [WPK] headed by secretary of its Central Committee Hwang Chang-yop returned home on Sunday [12 March] after visiting Nepal and Pakistan.

It was met at Pyongyang railway station by Hyon Chun-kuk, a department director of the C.C. [Central Committee], WPK, and Pakistani Ambassador to Korea Rehmdil Bhatti [spelling of name as received] and a councillor of the Chinese Embassy here.

S-S Cooperation in New Economic Order Lauded

SK1403041895 Pyongyang MINJU CHOSON in Korean 21 Feb 95 p 6

[Article by Nam Chon-ung: "South-South [S-S] Cooperation Is an Effective Method of Establishing the New International Economic Order"]

[FBIS Translated Text] Development and expansion of South-South cooperation is the unanimous aspiration and desire of the people in the nonaligned countries today.

Many developing countries, which cover most of the earth, are very interested in South-South cooperation and are also paying close attention to it. They have already accomplished a variety of achievements and experiences in such an area. However, the imperialists run counter to this trend, sticking to the old way of thinking.

The imperialists are persistently adhering to an old international economic order to escape from the crisis that unavoidably occurs as a result of the weakness of their political and economic system. Also, they are strengthening their new colonial domination and plunder policy against developing countries more than ever before.

Because of the imperialists' strengthening of exploitation and plunder based on the old international economic order, the developing countries' resources and the fruits of their people's labors cheaply flow into the developed capitalist countries. Also, their foreign debt is being increased constantly.

With each passing day, the developing countries' national industry has collapsed inevitably and their people's lives have become harsher. Also, the phenomenon of the "rich-get-richer and the poor-get-poorer" situation has been occurring more throughout the world.

The reality shows that if the old international economic order remains as it is, the developing countries cannot escape from the exploitation, plunder, and new colonial domination of the imperialists, nor can they achieve their countries' and nations' independent development and prosperity, and that even their already-established political independence can be disrupted.

Developing countries should establish a new and fair international economic order to build a new independent society, escaping from today's difficult situation.

The establishment of the fair international economic order becomes a key issue in successfully achieving the cause for the whole world's independence, which is the common desire of mankind.

The great leader Comrade Kim Il-song taught: "South-South cooperation is a sacred work for the developing countries to economically and technologically cooperate with each other and to satisfy each other's needs. This is also a new international economic relation based on the developing countries' common aspiration and interest. In essence, South-South cooperation is an international movement to achieve economic liberation and sovereignty of the people throughout developing countries, which have gained political independence."

As elucidated by the great leader Comrade Kim Il-song, South-South cooperation is the sacred work for the developing countries to promote their common interest by economically and technologically cooperate with each other and by satisfying each other's needs.

In essence, this is the international movement for the people throughout the developing countries to achieve their economic liberation and to gain the complete sovereignty in their foreign relations.

Only when developing countries discard their illusion about the imperialists, as well as their dependency upon them, can we rescind the old unfair international economic order. Also, we can establish the new fair international economic order.

For the developing countries, expanding and developing South-South cooperation becomes an effective method of rescinding the old unfair international economic order, as well as of establishing the new fair international economic order.

There are more conditions and possibilities to establish the new and fair international economic order by expanding and developing South-South cooperation.

Because of commonness in their position and aspiration, developing countries have the same interest in developing South-South cooperation.

Developing countries have a considerable amount of human resources [injok chawon] and abundant natural resources. Also, they have good experiences and technology to exchange with each other.

Developing countries have the very abundant natural resources necessary for accelerating their economic construction and for achieving their progress and development.

The amount of resource deposits, including oil, in developing countries account for more than half of existing deposits throughout the world. Also, developing countries produce a great share of tin and aluminum.

Association of Southeast Asian Nations countries, an area that holds one of the most important resource deposits in the world, alone account for more than half of the world's production of raw rubber, tin, and palm oil.

Several trillions or several thousand million cubic meters of natural gas is deposited in those countries.

If developing countries develop South-South cooperation, they will avoid the imperialists' taking their valuable resources at low cost, as well as rapidly develop their economy.

If South-South cooperation is further developed in trade and finance, developing countries can solve, with their own might, the financial difficulties and material problems they are facing in building a new society.

If a worldwide system for trade privileges is established and trade among developing countries is vigorously carried out under mutually favorable conditions, the leverage of imperialists in exploiting and plundering through protectionism will be reduced and their "policy of assitance" will become void.

Developing countries have great technological potential to establish a new international economic order.

Developing countries have technologies, one or two, to exchange with each other.

If we effectively use the technology and experience of developing countries—the largest area in the world—and satisfy each other's needs, it will result in great vitality.

To make practical South-South cooperation effective in establishing a fair international economic order, developing countries should thoroughly follow the principle of collectivist self-reliance and fortitude, the complete equality, and the principle of reciprocity based on the adherence to independence.

Collectivist self-reliance and fortitude is the common desire of the people in developing countries, as well as their struggling principles to pioneer their destiny with their own might, uniting and cooperating with each other.

The people throughout developing countries should develop South-South cooperation based on their spirit of independence and solidarity, discarding their dependency upon developed countries.

The important characteristic of South-South cooperation is to achieve cooperation and exchange between developing countries from the viewpoint of complete equality in compliance with their interests.

If unilateral and unequal relations are applied to economic relations between developing countries, it will result in one country infringing upon the interest of the other country. Furthermore, new relations of subordination and dependency will be established between developing countries.

With the spirit of sacred obligation and solidarity, developing countries should broadly carry out economic and technological exchange and cooperation without pursuing national self-interest.

Regardless of their size and the level of their economic and cultural development, developing countries should sincerely cooperate with each other and promote their mutual interests. Based on this, they should achieve economic and technological cooperation and exchange and, as a result, make South-South cooperation an example in securing a fair and equal international economic order.

By further expanding and developing South-South cooperation, people throughout developing countries will bring about good results in their struggle to establish a new international economic order.

Kim Pyong-sik Speaks at Development Summit

SK1403083795 Pyongyang Korean Central Broadcasting Network in Korean 0100 GMT 14 Mar 95

[FBIS Translated Text] Vice President Kim Pyong-sik, the head of the DPRK delegation, delivered a speech at the World Summit for Social Development on 11 March.

During the speech, he mentioned the significance of the World Summit for Social Development and pointed out:

Under the wise leadership of the great leader President Kim Il- song and General Kim Chong-il, the respected and beloved supreme leader [kyongae hanun choego yongdoja], brilliant achievements have been brought about in our country, and great changes have taken place in all fields.

The great leader President Kim Il-song, our nation's father, had devoted himself to the fatherland and the people, the happiness of mankind, and peace in the world throughout his life and brought about immortal achievements before the era and history. Our leader [suryongnim] earlier paid deep attention to social development, clearly elucidated correct lines and policies that our Republic must adhere to, and carried out energetic activities without sleeping and taking a rest.

Comrade Kim Chong-il, the respected and beloved supreme commander, who has literary and military accomplishments and loyalty and devotion and has perfect characters as the people's leader [yongdoja], considers inheriting and completing our leader's [suryongnim] chuche cause generation after generation to be his lifelong mission and is wisely leading our people.

Respected and beloved Comrade Kim Chong-il keenly perceived the popular masses' position and role in social development based on the chuche idea and is leading them to successfully solve all problems in social development as genuine masters of state and society. In our country, the popular masses' independent rights are guaranteed completely, and everything in society serves the people. Our people eliminated the economic backwardness they inherited from the antiquated society and built an excellent self-reliant socialist economy.

Comrade Kim Chong-il, the respected and beloved supreme leader, by implementing the idea of believing in the people as in heaven, is carrying out the politics of love and trust for the people, all- embracing politics.

Thanks to the great leader [yongdoja] General Kim Chong-il's benevolent politics, our people, irrespective of their political views, religions, gender, or age, choose jobs suitable to their hopes and abilities and are working at stable jobs and demonstrating all of their energy and talent in worthwhile labor for society and themselves.

In our country, the state provides all people with material conditions for food, clothing, and housing and implements the universal free compulsory education system and the free medical care system. Under these people-oriented state policies, all people are living equally free from worries about food, clothing, and housing; worries about education; and worries about medical care. Those who have lost their working ability temporarily or have no working ability, old people who have no one to take care of them, war veterans, disabled veterans, and people of meritorious services are living comfortably under state protection. There is not a single jobless or homeless person, a wanderer or a beggar, a drug addict, or a prostitute in our country.

All social and political rights and the happy material and cultural lives the people are enjoying in our country are not only legally guaranteed under the socialist constitution, but firmly ensured by man-centered socialism, socialism of our own style, and the strong self-reliant national economy.

A harmonious great family in which the great leader [yongdoja] and the great people are in perfect harmony and in which individuals help and lead each other under the principle of one for all, and all for one: This is the true picture of our society.

In our country, there has never been a time of political uneasiness or unrest [chongchijok buran ina tongyo] throughout decades of years of the history of socialist construction. Our people are greatly attached to socialism of our own style, which they themselves chose and built with their own blood and sweat, and consider it to be their life.

In response to the behest of President Kim Chong-il, the fatherly leader, our people are upholding the great leader [yongdoja] Comrade Kim Chong-il at the highest level and are standing up like one to make our country and our fatherland more prosperous.

President Kim Il-song, the fatherly leader, is respected and beloved General Kim Chong-il, and our general is our leader [suryong]. Our people will defend and further develop socialism of our own style and achieve the historic cause of the fatherland's reunification by single-heartedly uniting around respected and beloved General Kim Chong-il.

He went on to point out:

Today, accelerating social development is the common task of mankind who aspires to build a peaceful and prosperous world on our planet. We assess the efforts of the United Nations and the international community to achieve social development.

However, despite the sincere efforts of the people of the world and the international community to achieve independence, social development is still a serious issue in today's world, and mankind is faced with a series of challenges contrary to their expectations. Numerous social contradictions that had been covered up have now been exposed, and unanticipated social vices, poverty, and various disputes are aggravated, which cause horror and uneasiness to people.

The gap between developed countries and developing countries in terms of wealth worsens day after day. In the world, because of the unequal international economic order, the daily-aggravating economic situation, the debt problem, more than 1 billion people are suffering from starvation, poverty, unemployment, and diseases, and millions or tens of millions of children receive no basic education and medical care and are moaning due to malnutrition. The number of the handicapped, illiterate adults, and jobless people is incalculable. The social problems of the international community are so serious and grave.

The present situation urgently demands that all countries and nations make a new turn in all fields of social development at the earliest possible date. To achieve social development, which mankind aspires for, each country must place the popular masses' interests above anything else and map out lines and policies suitable to its real conditions. What is important in this is to fully reflect the people's opinions and demands and have the working popular masses participate in mapping out policies on social development.

Any policy that does not reflect the people's independent demands and rights cannot initiate social development and guarantee the country prosperity and the people happiness. Peace and security in each country and each region is an indispensable requirement for social development.

Social development of any sort is unthinkable apart from a peaceful environment. Because of disputes, conflicts, and bloody tragedies in many parts of the world, valuable assets in society are destroyed, social chaos and disorder prevail, and horrific disasters are imposed on the people. This is a painful phenomenon.

Disputes must be peacefully resolved through dialogue and negotiations in compliance with the interests of the sides concerned and the cause of promoting peace in the world, and no one should try to aggravate disputes and, thus, gain profits as a third party. Any military action that infringes on foreign countries' independence and aggravates tensions must stop.

The buildup of weapons is a reckless act that endangers peace and security and squanders mankind's valuable assets. All countries must reduce armaments and armed forces and quickly map out measures to allocate more money and resources to social development and welfare for the people. All countries of the world must step up international cooperation and exchange in the field of social development. Cooperation and exchange among countries is an important way to accelerate social development worldwide.

Developing countries are making efforts for South-South cooperation based on the principle of collective self-reliance. This is a good thing. We attach significance to promoting South- South cooperation with nonaligned countries and developing countries in the field of social development and extend firm solidarity with the efforts of the people of the world to expand and develop such cooperation.

Developed countries and international financial institutions must positively assist in developing countries' efforts for social development and take comprehensive and realistic measures to solve the foreign debt problem of these countries.

Financial and technological cooperation extended to developing countries must be pursued in ways to sincerely assist in social development in these countries and must not be used as a means of political pressure or intervention.

I think the function and role of UN organizations in solving the social development problem is important. The United Nations and the international community must pay deep attention to the social development problem of developing countries and, in particular, African countries and other least developed countries and positively contribute to solving it.

The world is now entering the door to the 21st century. Only when the people of the world who love justice and peace unite strongly and make sincere efforts for the common goal of social development, can an independent, peaceful, and prosperous new world be built on our earth.

The government of our Republic, as it did in the past, will further strengthen friendship, unity, and solidarity with the people of all countries of the world and positively contribute to mankind's common cause of social development under the ideals of independence, peace, and friendship.

Kim Chong-il's 'Famous Works' Studied Abroad

SK1403054495 Pyongyang KCNA in English 0435 GMT 14 Mar 95

[FBIS Transcribed Text] Pyongyang, March 14 (KCNA)—Famous works of the great leader Comrade Kim Chong-il have been disseminated and studied in different countries.

A joint seminar on the famous work "Socialism Is a Science" was held in Belgrade by political parties of Yugoslavia.

In his report at the seminar, Stevan Mirkovic, chairman of the communist movement of Yugoslavia, had this to say:

The work of Comrade Kim Chong-il is run through with the chuche idea.

In the work Comrade Kim Chong-il, on the basis of the chuche idea, proved the validity, advantages and invincibility of socialism and indicated the way of the ultimate victory of socialism.

We support Comrade Kim Chong-il's work "Socialism Is a Science" and will make efforts to apply the experience of Korea to the specific condition of Yugoslavia.

Milan Miladinovic, chairman of the Socialist People's Party of Yugoslavia, said in his speech:

We support Comrade Kim Chong-il's work "Socialism Is a Science", which made a great contribution to the development of the socialist theory.

Today the centre of socialism is moving to the east from Europe and Korea stands in the centre.

We hope that Korea will steadfastly maintain independence and build socialism more successfully in the future and wish her great achievements in the efforts to build socialism.

Seminars, lecture meetings and explanatory lectures on the same work took place at the Korean Chilbo Timber Company in Equatorial Guinea, the society for the study of the chuche idea of the University of Madagascar, the college in Kavre County, Nepal, the group for the study of the chuche idea of Comrade Kim Il-song of teachers of Golden Grove Primary School, Guyana and the Kim Chong-il class of the school and the cultural centre in Tanzania.

Meanwhile, the youth club branch of the Ghanaian National Institute of the chuche idea held a seminar on his work "Our Socialism Centred on the Masses Shall Not Perish" and the makonde Group for the Study of the Chuche Idea in Chinhoyi, Zimbabwe, a seminar on his work "On the Fundamentals of Revolutionary Party Building."

PRC Magazine on Kim Chong-il Economic Ideology

SK1403075495 Pyongyang Korean Central Broadcasting Network in Korean 1100 GMT 12 Mar 95

[FBIS Translated Text] The Chinese magazine, SHANGHAI ECONOMIC RESEARCH, carried an article entitled "Kim Chong-il's Economic Development Ideology." The magazine respectfully carried a picture of the great leader [yongdoja] Comrade Kim Chong-il standing at a rostrum returning a salute to enthusiastic participants in a parade representing various levels of the military schools of the Korean People's Army, the Red Worker-Peasant Militia, and the Red Youth Guards, and the demonstration of one million people to celebrate the 40th anniversary of the victory in the fatherland liberation war.

The magazine first noted the problem related to political and moral incentives and material incentives in socialist society. He stated:

In 1967 the Cultural Revolution, which was aimed at making the proletariate prosperous and ruining capitalism, was in full swing in China. Comrade Kim Chong-il presented his views on a series of theoretical problems, which were extensively discussed in academic circles. The most typical problem involved political and moral incentives and material incentives under the socialist system.

In Comrade Kim Chong-il's view, this problem is not only a theoretical problem but also a problem that needs to be solved in order to carry out socialist construction.

Comrade Kim Chong-il stressed that this problem can be correctly understood in connnection with the character of socialist society.

The lack of understanding of political and moral incentives and material incentives under the socialist system will endanger socialist economic construction.

Comrade Kim Chong-il said that if we establish an economic management system with primary emphasis on material incentives and encourage people only with material incentives, then serious egoism and liberalism will grow among the people. Consequently, this egoism and liberalism will become uncontrollable.

On the other hand, Comrade Kim Chong-il said that if we make an equal distribution in accordance with the theory that advocates only political and moral incentives, then this will become a silly and adventurous thing and will bring serious trouble and confusion to the revolution and construction. Therefore, Comrade Kim Chong-il resolutely stressed the need to properly adopt material incentives with primary emphasis on politiacal and moral incentives. Material incentives should serve political and moral incentives.

The magazine also noted the problem of the relationship between speed and balance in national economic development. On the issue of giving priority to man in all economic tasks the magazine pointed out:

Comrade Kim Chong-il believes that all of our work should be carried out under the principle of thinking of and attaching importance to man first. Comrade Kim Chong-il stressed that communists should attach importance to man first, not to the wealth a man has. Automation in old plants can be realized only under the socialist system in which the demands of the chuche idea—which views everything with primary emphasis on man and leads all things to serve man—have been embodied in all fields of society.

For the problem of thoroughly implementing the principle of self- reliance the magazine pointed out:

Comrade Kim Chong-il stressed that the principle of self-reliance should be thoroughly adhered to in order to realize automation. In realizing automation, the principle of importing from other countries what one's own country cannot manufacture or what is considered more economic and effective to import than to manufacture in one's own country while utilizing what one's own country has produced should be adhered to.

Comrade Kim Chong-il said that adhering to such a principle is not a mere business-like problem related to money, but rather it is a problem related to the future of automation in Korea.

Automation of all enterprises in our country cannot be realized without using what our country has produced. Therefore, the problem of whether the revolutionary principle of self-reliance is adhered to or not is the problem of whether automation at the highest level can be realized in our time. We cannot renounce this point. Such an ideology has become the basic principle and program for realizing automation in Korea. It has also been embodied in the consistent policy under which Korea has carried out economic construction in its own style.

The magazine, referring to the fact that economic work is the task related to the long-range plans of a country, pointed out: Comrade Kim Chong-il stressed that economic work is the work related to the long-range plan of a country and, therefore, cannot be carried out with inconsistent methods.

Romanian, Bulgarian Groups Praise Kim Chong-il

SK1403054195 Pyongyang KCNA in English 0421 GMT 14 Mar 95

[FBIS Transcribed Text] Pyongyang, March 14 (KCNA)—A letter and a telegram of greetings to the great leader Comrade Kim Chong-il were adopted at the inaugural meetings of the Romanian and Bulgarian chuche idea study groups.

The letter from Romania says the true communists and followers of the chuche idea in Romania formed the study group to build genuine socialism, guided by the chuche idea, the most correct guiding idea of the present time.

"We will deepen our study of the chuche idea and disseminate it widely so as to build genuine socialism in Romania and contribute to the cause of global independence," says the letter.

The telegram from Bulgaria says Comrade Kim Chong-il has made an undying contribution to the human cause of independence, the cause of socialism.

"We will deeply study the immortal chuche idea and the theory of socialism and the theory of party building based on this idea and widely disseminate and explain them among our people in all walks of life," says the telegram.

The letter and telegram wish Comrade Kim Chong-il good health and a long life.

He also received letters from the participants in a national seminar on the chuche idea and national education held in Guinea and the participants in a joint seminar on his famous work "Socialism Is a Science" held in Zimbabwe.

Kim Chong-il Fellowship Society Created in Benin

SK1203083595 Pyongyang KCNA in English 0802 GMT 12 Mar 95

[FBIS Transcribed Text] Pyongyang, March 12 (KCNA)—The Long Live General Kim Chong-il fellowship society was inaugurated in Benin on his birthday.

The society was formed to study the idea of the great leader Comrade Kim Chong-il and further consolidate and develop the friendly relations between Benin and Korea.

The chairman of the society was elected.

Kim Chong-il Receives More Foreign Greetings

SK1303050095 Pyongyang KCNA in English 0447 GMT 13 Mar 95

[Spelling of all names as received]

[FBIS Transcribed Text] Pyongyang, March 13 (KCNA)—The great leader Comrade Kim Chong-il received messages of greetings from party leaders of different countries on his birthday.

Among them are Chairman of the Central Committee of the Communist Party of Germany Werner Schulwese, Chairman of the Democratic Renovation Party of Portugal Manuel Vargas Loureiro, Chairman of the National Direction Committee of the Democratic Intervention of Portugal Blasco Hugo Fernandes, General Secretary of the Belgian Socialist Party (Vallon) Roger Gailliez, President Marian Donnelly and General Secretary Pat Quearney of the Workers' Party of Ireland, Secretary General of the Central Committee of the People's Vanguard of Costa Rica Humberto Vargas Carbonel, coordinator of the Central Committee of the People's Party of Costa Rica Eduardo Mora Valverde and General Secretary of the Central Committee of the Communist Party of Syria Khaled Bagdash.

The messages extend warmest congratulations to Comrade Kim Chong-il on his birthday and wish him good health and a long life.

They express firm solidarity with the Workers' Party [WPK] and people of Korea in socialist construction and in the efforts for the independent and peaceful reunification of the country as well as the belief that the friendly and cooperative relations between their parties and the WPK will continue to develop on good terms.

Kim Chong-il Sends Thanks to Units, Workers

SK1203083495 Pyongyang KCNA in English 0801 GMT 12 Mar 95

[FBIS Transcribed Text] Pyongyang, March 12 (KCNA)—The great leader Comrade Kim Chong-il sent thanks to the Potonggang District, Iyongyang Municipality, committee of the Workers' Party of Korea, the Mangyongdae disabled soldiers fountain pen factory, the Changsan electric appliance factory, and the department No. 5 of the DPRK Central Public Prosecutor' Office for having distinguished themselves in displaying the traditional spirit of the army-people unity.

He also sent thanks to Yi Kwang-tok, chief engineer of the ship "Yonpungho", Kim Chol-su, deputy director of the Nungnado general bureau, Kim Chong-su, a farmer of the Naknang cooperative farm in Naknang District, Pyongyang, O Un-suk, a worker of the Korea tobacco group, and their families who sincerely assisted the People's Army.

Kim Chong-il Sends Birthday Table to Citizen

SK1303051195 Pyongyang KCNA in English 0500 GMT 13 Mar 95

[FBIS Transcribed Text] Pyongyang, March 13 (KCNA)—The great leader Comrade Kim Chong-il sent a birthday table to old Chon Taek-son in Kumya County, South Hamgyong Province on his 105th birthday.

The old man was born into a poor peasant's family and did manual labour for a wage before liberation. Under the Korean-style socialist system centred on the popular masses he is enjoying longevity and worked till recently.

The birthday table was handed to him on March 12 amid the blessings of people. He said that he has become known to the world as a long-liver as the Workers' Party of Korea is good and our social system is also good.

Brazil Official on Kim Il-song-Style Socialism

SK1403103895 Pyongyang KCNA in English 1012 GMT 14 Mar 95

["Socialism of Kim Il-song Style Is Ideal Society of Humankind"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 14 (KCNA)—Socialism of Kim Il-song style, Korean-style socialism, is the supreme ideal society which makes it possible to realize the desire and aspirations of humankind most perfectly, said Claudio Campos, secretary general of the Central Committee of the October 8 Revolutionary Movement of Brazil, in his interview with KCNA. Giving his impressions of Korea, he said that the socialism of Korea where the people enjoy an even and happy life as true masters of the country is a peculiar and new society.

Noting that it is because Korea is guided by the great leader that this small country stands in the centre of the political arena of the world, he said that the great leader Comrade Kim Il-song, a rare hero, an outstanding statesman and the tender-hearted father of the people, was a peerless great man produced by humankind.

He continued:

Korea is a country which has solved the question of inheritance of the leadership most perfectly. The Korean people have Comrade Kim Chong-il as the great leader and are successfully carrying forward the revolutionary cause of chuche started by the respected leader President Kim Il-song.

The great leader Comrade Kim Chong-il is the great master of thought and theory, genius of construction and the tender- hearted father of the people.

Under his wise leadership Korea has become the most powerful country in the world and the Korean people are doing everything their own way as the independent people with strong spirit.

We see our future in the brilliant reality of Korea.

The august name of Comrade Kim Chong-il will shine still further with the socialism of Kim Il-song style.

Military Marks Training Policy Anniversary

SK1403093395 Pyongyang Korean Central Broadcasting Network in Korean 2200 GMT 13 Mar 95

[FBIS Translated Text] The Ministry of People's Armed Forces held a report meeting on 13 March, marking the 20th anniversary of the great leader Comrade Kim Il-song's presentation of the five-point training policy and the fifth anniversary of the presentation of the four training principles by respected and beloved Supreme Commander Comrade Kim Chong-il.

A standing statue of Comrade Kim Il-song, great leader of our party and people, was in the front of the meeting place. Slogans, such as "Long live the great leader Comrade Kim Il-song!" and "Long live the dear leader Comrade Kim Chong-il!", were hung at the meeting site.

Present at the report meeting were Comrade Choe Kwang, member of the Political Bureau of the Workers Party of Korea [WPK] Central Committee and chief of the General Staff of the Korean People's Army [KPA]; Comrades Kim Tong-il and Kim Kwang-chin, vice marshals of the KPA; responsible functionaries at the Ministry of People's Armed Forces; and Army generals, officers, and soldiers.

The report meeting started with singing the song of General Kim Il-song and the song of dear leader Comrade Kim Chong-il.

Participants at the meeting paid a silent tribute to the memory of great leader Comrade Kim Il-song, who dedicated his whole life for the growth and prosperity of the fatherland, for the people's freedom and happiness, and for founding, strengthening, and developing the chuche revolutionary armed forces.

At the report meeting, KPA Colonel General Kim Chung-kak delivered a commemorative report. The speaker stated: The great leader Comrade Kim Il-song's presentation of the five-point training policy and respected and beloved Supreme Commander Comrade Kim Chong-il's presentation of the four training principles were historic events that opened new turning phases in strengthening and developing the People's Armed Forces as one-a-match-for-100 revolutionary armed forces.

He stated: On 8 February 1975, envisaging the prevailing situation scientifically with his keen insight, the great leader Comrade Kim Il-song visited a KPA unit to see soldiers receive training and presented the five-point training policy for the People's Army.

The speaker stressed: The five-point training policy presented by the great leader Comrade Kim Il-song is the most scientific and revolutionary training program that enables the main forces of the armed struggle to be strengthened in every way by completely embodying principles of the chuche idea and the demand of modern war and firmly guarantees the victory of revolutionary war.

He continued: In May 1990, the respected and beloved comrade supreme commander noted results achieved in the struggle to implement the five-point training policy presented by the great leader and stressed again the need to further strengthen soldiers' combat training. Then, based on chuche-oriented military ideas, historic experience in building the revolutionary armed forces, and an overall analysis on the demand of modern war, he prescribed the principle of independent spirit, the principle of political and ideological spirit, the principle of militant spirit, and the principle of scientific spirit as basic principles that should be adhered to in combat and political training.

He also stressed: The four training principles are revolutionary ones that make it possible to thoroughly prepare soldiers as genuine protectors and patrons of the Korean revolution, and the People's Army as the army of the leader and the party.

The speaker talked about the new turning point in strengthening the combat ability of the People's Army, which was effected by the past combat and political training conducted effectively in accordance with the demand of the four training principles while focusing on implementing the five-point training policy.

The speaker extended the greatest honor to the great leader Generalissimo Kim Il-song, who presented the chuche-oriented training program and wisely led the struggle to realize it, thus strengthening and developing the People's Army as the invincible revolutionary armed forces that are reliably prepared politically, ideologically, militarily, and technologically. He also extended the greatest honor and the warmest gratitude to respected and beloved Supreme Commander General Kim Chong-il.

The speaker noted that the People's Army should repeatedly train itself and strengthen its combat ability in every way, so as to fulfill its sublime revolutionary mission for the times, the revolution, the fatherland, and the people.

The speaker then stressed: Upholding the militant slogan, "Let us greet the 50th founding anniversary of the WPK with great enthusiasm toward political training, combat preparations, and innovative results in strengthening our combat ability!", all People's Army officers and men should repeatedly train themselves and strengthen their combat preparations in every way. By doing so, they should sternly smash the enemy's vicious challenge and crushing maneuvers and keep socialism of our own style impregnable.

Choe Kwang Attends Military Anniversary Meeting

SK1403053095 Pyongyang KCNA in English 0450 GMT 14 Mar 95

["Meeting of Ministry of People's Armed Forces"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 14 (KCNA)—A meeting of the Ministry of the People's Armed Forces was held here on Monday to mark the 20th anniversary of the presentation of the five-point policy of military training by the great leader President Kim Il-song and the 5th anniversary of the presentation of the four- point principles of military training by the respected supreme commander Comrade Kim Chong-il.

The meeting was attended by Choe Kwang, Politburo member of the C.C. [Central Committee], the Workers' Party of Korea and chief of the general staff of the Korean People's Army [KPA], Vice-Marshals Kim Pong-yul and Kim Kwang-chin and men and officers of the KPA.

The participants in the meeting paid a silent tribute to the memory of President Kim Il-song who had devoted his whole life to the founding, strengthening and development of the chuche-oriented Revolutionary Armed Forces.

President Kim Il-song visited a KPA unit on February 8, 1975, to appreciate the training of soldiers and put forward the five-point policy for all soldiers to acquire a strong revolutionary spirit, wonderful and superb tactics, powerful physical strength, marksmanship of never missing the target and establish a steel-like military discipline in the People's Army.

The supreme commander Comrade Kim Chong-il, in May 1990, defined the principle of chuche, the principle of political ideology, the principle of militancy and the principle of scientific accuracy as fundamental principles in combatant and political trainings, on the basis of the chuche-based military idea and historical experiences in the building of Revolutionary Armed Forces and of an overall analysis of the demand of present-day war.

Col. Gen. Kim Chong-kak in his report pointed out that the five- point policy of training advanced by President Kim Il-song is the most scientific and revolutionary training programme surely guaranteeing the victory of a revolutionary war and the four-point principles of training by Comrade Kim Chong-il are the revolutionary principles which make the People's Army prepare thoroughly to be an army of the leader and an army of the party.

He recalled that the army soldiers have vigorously carried on the combatant and political training in line with the five-point training policy and the four-point training principles.

"Although our revolutionary situation has been complicated in the past days, our People's Army has crushed every one of the provocative moves of the U.S. imperialists and the South Korean military fascist clique and creditably defended the security of the socialist motherland and the happiness of the people. This is a brilliant result brought by the validity and vitality of the five- point training policy and the four-point training principles," he said.

Pointing to the tasks of the People's Army, he stressed that all men and officers of the People's Army must resolutely shatter the vicious challenges and stifling moves of the enemy and firmly defend Korean-style socialism centred on the popular masses by intensifying combat preparations in every way, united in one mind around the supreme commander Comrade Kim Chong-il.

KPA Officers at Instructors, Commanders Meeting

SK1303050895 Pyongyang KCNA in English 0458 GMT 13 Mar 95

[FBIS Transcribed Text] Pyongyang, March 13 (KCNA)—The officers to participate in a meeting of company commanders and political instructors of the Korean People's Army [KPA] arrived here till March 12. [as received]

Working people, students and school children in the capital warmly welcomed them, performing songs on wind instruments and waving bunches of flowers.

The meeting will demonstrate the unshakable loyalty and filial piety of the People's Army which is rallied closely around Comrade Kim Chong-il, supreme commander of the Korean People's Army, and its invincible militant might.

Hydroelectric Power Complex Achieves 'Innovations'

SK1403070795 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 12 Mar 95

[FBIS Translated Text] The functionaries and electricity generating workers of the Taedonggang Hydroelectric Power Complex, who have vigorously risen up while upholding the party's revolutionary economic strategy, are achieving new innovations in generating electricity with a view to further enriching our country, our fatherland.

Station reporter Chong Mun-chol has met with Comrade Cho Pyong- sik, deputy chief engineer of the generation workshop at the Taedonggang Hydroelectric Power Complex.

[Begin recording] [Chong Mun-chol] Upholding the party's revolutionary economic strategy, the Taedonggang Hydroelectric Complex has been forcefully waging the struggle to increase the generation of electricity in recent days, has it not?

[Cho Pyong-sik] Yes. We have taken pride in having meaningfully glorified the month of February, in which the dear leader Comrade Kim Chong-il's birthday—the greatest national festive day—fell, by overfulfilling the February plan for the generation of electricity by 149.4 percent. With such pride, we have been achieving much success in the generation of electricity in recent days, too, by waging a more vigorous struggle.

With regard to the electricity generation assignments that we have fulfilled up to now alone, we are generating electricity by more than (?137) percent on average every day.

In particular, the functionaries and operators at the electricity generation workshop are normalizing their fulfillment of (?daily) plans at the level of more than (?130 percent), while well complying with the demands of the planned, preventive repair system and of the standard regulations of operation, as well as making rational use of water and thoroughly guaranteeing the highly efficient operation of equipment by making use of the high water level.

The workers at the (?electricity generation workshop) and at the structure workshop, too, are contributing to increasing the generation of electricity by repairing the equipment and structure with responsibility.

In the future, too, we will achieve new innovations in the generation of electricity by further carrying on the organization of production and the command over production, and by making sure that each generator is operated at full capacity. [end recording]

Paper Denounces Aspects of Capitalist Society

SK1403104095 Pyongyang KCNA in English 1017 GMT 14 Mar 95

["Genuine Freedom of Thought Impossible in Capitalist Society"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 14 (KCNA)—Genuine freedom of thought cannot be seen in the capitalist society where the power of capital decides everything. No matter how loudly the imperialists and reactionaries may advertise the "freedom" of thought, can they never veil the anti-popular reactionary nature of the capitalist society.

NODONG SINMUN today says this in a by-lined article.

The article notes:

The freedom of thought is impossible in the capitalist world. It is an inevitable result which stems from the anti-popular nature of the capitalist society.

In the capitalist society the bourgeois idea holds sway, fully representing the interests and demand of the capitalist class. The capitalist class puts the ideological life under its control to suit the bourgeois politics for its interests and demand by availing itself of its monopolization of the economic and political spheres. It gives unlimited freedom to the ideological activities for defending and disseminating the bourgeois concepts reflecting its interests.

Such a "freedom", however, cannot be viewed as genuine freedom of thought. This is because the freedom of the bourgeois idea is not freedom for the working masses, the majority of the society, but "freedom" for the narrow capitalist class, the reaction to history, and the forces following it.

The ruling class of the capitalist society ruthlessly suppresses any ideas and trends out of its favor. But it can never stamp out progressive ideas reflecting the interests and demand of the popular masses as it cannot block their aspiration for independence.

The imperialists' advertisement of the "freedom" of thought only brings their impudence and hypocritical nature into bolder relief.

Article Hails Work on Solving Rural Problems

SK1403074395 Pyongyang MINJU CHOSON in Korean 24 Feb 95 p 2

[Article by Yi Yong-min: "The Historic Work That Illuminated the Road to the Ultimate Solution of the Rural Problems"]

[FBIS Translated Text] At a time when all the working people across the country are vigorously waging the struggle to effect new upsurges in socialist rural construction and to thoroughly implement the party's agriculture-first policy by single-heartedly rallying around the great leader [yongdoja] Comrade Kim Chong-il, we are observing the first anniversary of the publication of the historic letter entitled "For the Ultimate Solution of the Rural Problems Under the Banner of the Socialist Rural Theses," which the respected and beloved Comrade Kim Il-song sent to the National Agricultural Conference.

The respected and beloved Comrade Kim Il-song's work is a great program for socialist rural construction that elucidates the bright future road for the ultimate solution of the rural problems and a militant banner that brings about a new turn in our country's rural development.

The work analyzes and sums up bright accomplishments and experiences gained by our people on the course of carrying out the socialist rural theses and makes a comprehensive compilation of all theoretical and practical questions that arise in vigorously waging the struggle to ultimately solve the rural problems in conformity with new and higher demands of socialist rural construction.

With the announcement of the work, a mighty ideological and theoretical weapon has been prepared for the ultimate solution of the rural problems under the banner of the socialist rural theses and a radiant prospect has been unfolded to bring about a new turn in the struggle for socialist rural construction.

The great leader Comrade Kim Il-song taught: "Whether we finally solve the rural problems under socialism or not is an important matter that affects the future of socialism. It is only when we ultimately solve the rural problems by accelerating the building of the socialist countryside that we will be able to achieve the complete victory of socialism, display its superiority and indestructibility and increase its attraction."

The rural problems are a pivotal question to promote the social and economic position of peasants as an ally of the working class and to strengthen the main force of the revolution, and are an important question that prepares a social and economic condition for the endless development of agriculture, one of the two major sectors of the national economy. Accordingly, correctly solving the rural problems is a historic mission to achieve the victory of the socialist cause.

Ultimately solving the rural problem under socialism is an important matter that is linked to the future of socialism. It is only when we ultimately solve the rural problems by accelerating the building of the socialist countryside that we will be able to achieve the complete victory of socialism, display its superiority and indestructibility and increase its attraction.

Under the wise leadership of the party and the leader [suryong], a decisive victory has been achieved in our country in the struggle to implement the socialist rural theses and our country's socialist rural construction is now entering a new stage. By illuminating the future road for the ultimate solution of the socialist rural problems on the basis of achievements made in the administration for carrying out the rural theses, the work has become an immortal banner that strongly propels the overall socialist cause and our people's struggle for revolution.

The significance of the work lies in that, above all, it actively encouraged our people to have a firm conviction in the indestructible vitality and the superiority of the chuche-oriented socialist rural system and to vigorously struggle for its development and consolidation.

The ultimate solution of the rural problems can be achieved on the basis of the strong foundation that has been laid in the period of the protracted struggle. Triumphantly carrying out all tasks arising in socialist rural construction by accelerating the rural construction by dint of the already established rural system and through its endless development and consolidation is a law-governed process for the solution of the rural problems. Therefore, in order to ultimately solve the rural problems, the agricultural system must be endlessly consolidated and developed in conformity with the demand of the developing realities.

The ceaseless development and consolidation of the socialist agricultural system depends on the role played by agricultural workers, its master, and their creative and independent role is based on the firm faith in the superiority and great vitality of the agricultural system.

As has been revealed in the work, our agricultural system is a chuche-oriented socialist agricultural system, which develops according to collectivist principles, and under which the agricultural workers are the masters of production and management, public ownership and cooperative ownership are closely combined, and the state takes responsible care of the production and management activities of the cooperative farms and the lives of the cooperative farmers. Our socialist agricultural system is the most advanced system; it not only provides an independent and creative life for the farming population but also facilitates the assimilation of the farmers to the working class, the development of agriculture into an industrial process, and a gradual and smooth conversion of cooperative ownership to all-people ownership. The superiority and indestructible vitality of our agricultural system have already been clearly proven through the practice of revolution.

The work proudly sums up great victories and accomplishments achieved by our people in the struggle to implement the agricultural theses under the wise leadership of the party and clearly indicates the superiority and vitality of our country's agricultural system. The work proves in a scientific manner the might of our country's socialist agricultural system, which the agricultural workers regard as their life, and the superiority of socialism of our own style that cannot be parted from the destiny of agricultural workers and that took deep root in our country's rural area. In this way, the work enables our agricultural workers to cherish in their hearts the pride and dignity of living and working under the most superior chuche-oriented socialist agricultural system and to renew their resolution to further add luster to and adhere to the socialist agricultural system under whatever circumstances with a firm conviction that the road to socialism, the road to which the rural theses has shown, is the only way to their true life and happiness, and victory and glory. It is of a great significance that the work enables all the people and agricultural workers to vigorously struggle with the firm confidence in victory and optimism that they could achieve brilliant victory in socialist rural construction if they regard the great rural theses as their only guide to the ultimate solution of the socialist rural problems and thoroughly implement the rural theses under the party's leadership.

The significance of the work also lies in that it elucidates the bright future road on which a new turn can be brought about in socialist rural construction.

Ultimately solving the rural problems is the most difficult problem in socialist construction and the course of eliminating the class differences of the working class and peasantry accompanies the struggle between new and old. Today, our country's socialist rural construction is entering a new and higher developing stage and is implementing the grand task of rural construction under a stern situation. The reality demands us to effect great revolutionary upsurge in socialist rural construction.

The work solves the rural problems in conformity with the demand of a new, higher stage of socialist rural construction and comprehensively expounds the principles and tasks to bring about a revolutionary turn in agricultural production and the ways and means for its implementation. The work sums up all the problems arising in the solution of the socialist rural problems, such as the idea on bringing up farmers as the powerful main force of the revolution by assimilating them to the working class, socializing them, imbuing them with the chuche idea, and intellectualizing them by deepening the ideological and cultural revolution in the countryside; the idea on putting agriculture on an industrial basis, modernizing it, and strengthening the material and technical foundation of rural economy; the idea on strengthening the assistance to the countryside in conformity with the developing realities of socialist rural construction; and the idea on promoting the guidance and management over rural economy and replacing cooperative ownership with all-people ownership. By so doing, the work has become a guiding idea that elucidates the road to vigorously accelerate socialist rural construction without the slightest deviation or turns and twists and to bring about a great upswing in all areas of rural construction.

The work is an immortal classic work that has further developed and enriched the working class's revolutionary theory on socialist rural construction.

The revolution is consummated and advanced by the correct guiding idea and the leader's [suryong] greatness lies in indicating the road of revolution by presenting an outstanding idea and theory. The ideology and theory on ultimately solving the rural problems under socialism occupy an important place in the working class's revolutionary theory.

With scientific insight and clairvoyant wisdom, the great leader [suryong] foresaw the future of our country's rural areas and set forth creative ideology and theory for the ultimate solution of rural problems, thus opening up a new path for the development of the working class's revolutionary theory. The ideology and theory presented in the work are of great significance in the development of the revolutionary theory on socialist rural construction. The theories elucidated in the work—including the theory on the three revolutions, the theory on guidance and management, and the theory on replacing cooperative ownership with all-people ownership—are excellent ideas and theories that can only be set forth and brilliantly embodied by the respected and beloved Comrade Kim Il- song, a great thinker and theoretician and a great practician. By presenting the great theory and ideas on socialist rural construction, he enriched the treasure house of the working class's revolutionary theory and made a great contribution to pioneering the destiny of the popular masses. These are the respected and beloved leader's immortal ideological and theoretical achievements and excellent exploits.

Truly, the great leader Comrade Kim Il-song's immortal historic work "For the Ultimate Solution of the Rural Problems Under the Banner of the Socialist Rural Theses" is a great program of rural construction that gives perfect answers to all the theoretical and practical questions arising in socialist rural construction and an immortal militant banner that vigorously inspires the struggle of our party and our people for the perfect victory of socialism.

The outstanding idea on the ultimate solution of socialist rural problems set forth by the respected and beloved leader [suryong] has been thoroughly embodied in the development in our country's rural economy under the wise leadership of the great leader [yongdoja] Comrade Kim Chong-il.

All the functionaries and working people of the agricultural sector should firmly rally around the great leader [yongdoja] Comrade Kim Chong-il and vigorously wage the struggle for the implementation of the programmatic tasks set forth in the respected and beloved leader's work. Thus, they should expedite the ultimate solution of the rural problems and make a bigger advance in socialist rural construction.

Discovery of Koryo Dynasty Relics Reported

SK1403000195 Pyongyang KCNA in English 2208 GMT 13 Mar 95

[FBIS Transcribed Text] Pyongyang, March 13 (KCNA)—A stone coffin and many other cultural relics dating back to the period of the Koryo Dynasty (918-1392) were recently discovered in Kaesong adjacent to the Military Demarcation Line of Korea.

Unearthed in Yongjong-ri, Panmun County, the box-shaped stone coffin consists of four pillar stones, a floor stone and a cover stone. The coffin is 220 cm long, 71 cm wide and 69 cm high, each of stones being nearly 8 cm in thickness. Contained in the coffin are 11 Koryo ceramics, 4 earthenwares and 42 bronze pieces. 38 pieces of currency used in the period of the Koryo dynasty were also discovered.

Peculiar and valuable among the relics discovered are a celadon bowl (8 cm high and 16.2 cm across at its mouth), a bronze mirror (22.8 cm in diametre and nearly 7 mm in thickness), a bronze seal (4.5 cm high and 3.4 cm across in the sealing surface) and a bronze sword (34.5 cm long).

The bronze bowl is of jade color. Its inner side is engrossed with the pattern of a lotus.

Two fighting dragons are carved in the back side of the bronze mirror. A tiger with his forelegs raised up is engraved in the handle of the bronze seal.

A steel mirror which is considered to have been forged around the 12th century B.C. was discovered in Pyongyang some time ago.

Discovered in the stone coffin grave No. 1 in Songsok-ri, Kangdong County, the steel mirror of a round shape is 15 cm in diametre and 0.5 cm in thickness. Its front is smooth and a knob is attached to its back.

It is estimated that the steel mirror was forged.

South Korea

Official: KEDO To Specify ROK Reactors

SK1403075295 Seoul YONHAP in English 0746 GMT 14 Mar 95

[FBIS Transcribed Text] Seoul, March 14 (YONHAP)—The Korean Peninsula Energy Development Organization (KEDO) will specify "South Korean standard reactor model" in its agreement with North Korea on the supply of light-water reactors, a senior South Korean official said Tuesday.

Choe Tong-chin, chief of the office of planning for the light-water reactor project, said it will also specify South Korea's Uljin Nos. 3 and 4 nuclear power plants as "reference plants" for the light-water reactor plants to be constructed in North Korea.

In a press conference here, Choe said, "there is no change in the KEDO's position that South Korea will, as the prime contractor in the reactor project, play a central role in the design and construction of the nuclear power plants in the North. In the agreement between the KEDO and North Korea, the light-water reactor type will be specified in further detail than in the agreement on the establishment of the KEDO."

If North Korea rejects the South Korean style reactors and lifts the freezing of its nuclear development program, the United States will consider it a violation of the Geneva agreement between Washington and Pyongyang and will take punitive measures including sanctions by the United Nations Security Council, Choe said.

Unless North Korea violates the freezing of its nuclear program, the negotiations between the KEDO and North Korea will continue even after April 21, the "target date" for the conclusion of the agreement on the light-water reactor supply, Choe added.

"Meanwhile, when joining the KEDO, Australia and New Zealand promised to contribute 5 million U.S. dollars and 300,000 dollars, respectively, to the KEDO. And Canada, although not specifying the amount, also said it will make a financial contribution to the KEDO," he said.

U.S. Official: Accord Provides for N-S Dialogue

SK1403111495 Seoul YONHAP in English 1101 GMT 14 Mar 95

[FBIS Transcribed Text] Seoul, March 14 (YONHAP)—North Korea should agree to resume dialogue with South Korea especially because the U.S.-North Korea nuclear agreement specifically provides for its resumption, a senior American official said recently.

A material available here Tuesday said Winston Lord, U.S. assistant secretary of state for East Asia and Pacific affairs, made the stress in a speech at the Commonwealth Club in San Francisco.

Saying that the future of Korea should be charted by the Koreans themselves, Lord observed there would be a progress in contacts between Seoul and Pyongyang commensurate with measures set to be taken toward the normalization of U.S.-North Korea relations.

He said the Geneva nuclear agreement can succeed only when there emerges an atmosphere for cordial and practical cooperation between South and North Korea.

Recalling that the Korean peninsula is an area laden with the most grave security problem in Asia, Lord said the fact that it took a long period to obtain the release of a U.S. helicopter crewman from North Korea proves that a Cold-War front still hang around the Korean peninsula.

President: No Alternative Plan to ROK Reactor

SK1303131995 Seoul SEOUL SINMUN in Korean 13 Mar 95 p 5

[Interview with ROK Foreign Minister Kong No-myong by Yi To-un in Copenhagen; date not given]

[FBIS Translated Excerpt] [Yi To-un] What is the status of negotiations concerning ROK's entry into the UN Security Council?

[Kong No-myong] It is too early to tell. However, all foreign ministers with whom I have talked were favorable to the ROK's bid to join the Security Council.

[Yi] President Kim met with the president of Sri Lanka, with which the ROK is competing to enter the Security Council. Did the two leaders promise anything?

[Kong] It is not time to do so. There will be a vote in October of this year at the UN General Assembly. It is no problem if an agreement is reached no later than two months before that time.

[Yi] What is the significance of the summit for social development?

[Kong] The summit is significant in that top leaders of various countries got together and discussed global policies on eradicating poverty, creating jobs, and achieving social integration. The Copenhagen declaration and the plan of action that were adopted this time will be implemented in the 21st century. [passage on achievements from ROK President Kim Yong-sam's visits to France and Germany omitted]

[Yi] North Korea has continuously rejected ROK-model light-water reactors. What are the prospects for implementing the North Korean-U.S. agreed framework?

[Kong] The Korean Peninsula Energy Development Organization [KEDO] has already been inaugurated. A crucial task is to have North Korea implement the agreement. Even though North Korea rejects the ROK model on political and technological grounds, it knows very well there is no alternative plan.

[Yi] It will be difficult for KEDO and North Korea to sign a light-water reactor supply contract by 21 April, the deadline. Would you comment?

[Kong] We still have time. It is not appropriate to foresee the future at this time. Everything will be solved easily only if North Korea makes a decision. We must be careful to ensure North Korea does not misinterpret our intention to supply it with light- water reactors. We must also ensure North Korea knows the situation will not change even if it persistently insists on its ideas.

[Yi] To disable the armistice mechanism, North Korea forced the Polish delegation to withdraw from the Neutral Nations Supervisory Commission. Some people point out our government's response to this was too lukewarm. Would you comment?

[Kong] That is not true. We, the United States, EU members, and other countries have released statements denouncing North Korea's measure. North Korea's diplomatic losses are enormous. It is trying to disable the Armistice Agreement. Then, what will happen to the truce line, which exists starkly? Legally, no truce line means war. Will North Korea embark on such an adventure? North Korea is making a grave mistake.

[Yi] Can we solve this problem in the UN Security Council because North Korea's action is an act of ignoring an order established by the United Nations?

[Kong] We may examine the possibility when such time occurs. We may present the issue to the Security Council or there may be other ways, as well. Still, a more fundamental issue is how to have North Korea abide by the Geneva agreement to solve the North Korean nuclear problem. [passage on celebrations of the 30th anniversary of establishment of ROK-Japan diplomatic relations omitted]

Kim Yong-sam 'Prepared To Act Forcefully'

SK1403101695 Seoul YONHAP in English 1004 GMT 14 Mar 95

[FBIS Transcribed Text] Brussels, March 14 (YONHAP)—South Korean President Kim Yong-sam, now here on the final leg of his official European tour, stressed Tuesday he would strive to pool national energies to energetically implement Korea's segyehwa (globalization).

President Kim said he would continue to promote reforms if only to buttress the enforcement of segyehwa programs.

While meeting with Korean reporters accompanying him to his European tour over breakfast, the president said, "Like advanced European countries, we should become one for segyehwa and win in the present international economic war."

He said that if Korea lags behind now, it would fall behind as an eternal straggler. "If we fail, no one else would come to rescue us," Kim said.

Stressing that human cultivation would be essential to the successful implementation of segyehwa, President Kim said he would concentrate on reformative educational programs as part of the segyehwa policy.

Kim also said his administration would promote a long-term policy to develop South Korea into a world center for transportation, communications, trade and other services.

"We will try to make Korea a nice country where both Korean and foreign industries can do business comfortably and conveniently," he said. "To this end, we will reform various economic administrative measures."

Asked how South Korea would react to it if North Korea scraps the U.S.-North Korea agreement, the president said his administration is prepared to act forcefully against such eventuality in consultation with its allies like the United States and Japan.

"We have already notified North Korea that if the Geneva agreement is nullified, it would lead to the outbreak of something grave," Kim said.

He added that the notification was made directly by the United States which he said consulted with South Korea beforehand on its contents.

Generals' Control of DPRK Military Analyzed

SK1303022695 Seoul SEOUL SINMUN in Korean 13 Mar 95 p 1

[FBIS Translated Text] An analysis shows that the North Korean military is now controlled by approximately 50 generals from the second and third generations of the revolution. The post of minister of the People's Armed Forces, which is now empty because of O Chin-u's death, will likely be filled once Kim Chong-il succeeds to power; there will be no military reshuffle for the time being.

On 12 March, SEOUL SINMUN's Reunification and Security Institute analyzed 60 key North Korean generals based on the latest information on North Korea. The analysis shows: ten generals of the first generation of the revolution are still serving as chief of the General Staff, director of the General Guard Bureau, or as members of the Central Military Commission. However, only two or three, including Vice Marshal Choe Kwang, chief of the General Staff, have any influential power; those of the second and third generations are serving at important posts as loyalists to Kim Chong-il.

Replacement Candidates for O Chin-u Posts Viewed

SK1303014095 Seoul SISA JOURNAL in Korean 9 Mar 95 p 11

[Article by Chon Hyon-chun, researcher of the Institute for Research of National Reunification: "Choe Kwang Is Powerful Candidate for Next-Term Minister of People's Armed Forces in North Korea"]

[FBIS Translated Text] O Chin-u, minister of the People's Armed Forces, who was from the first generation of the revolution and one of the greatest supporters of the Kim Il-song-Kim Chong-il hierarchy system, died of terminal cancer on 25 February. The first generation of the revolution in North Korea is composed of those who participated in the anti-Japanese armed struggle, played the main role in establishing the state, were vanguard members for maintaining Kim Il-song's monolithic system, and who supported Kim Chong-il's succession to power. However, O Chin-u's loyalty to Kim Il-song and to Kim Chong-il was more ardent than anyone else's.

The focus of people's attention after O Chin-u's death is on who Kim Chong-il will appoint to the positions held by O Chin-u, whether Kim Chong-il will use O Chin-u's death as an opportunity to shift generations, and whether Kim Chong-il's personnel management policy in the military will change. For the sake of stability in the military, Kim Chong-il is in the position of having to make appointments to the posts of member of the Political Bureau Presidium of the party; director of the General Political Bureau of the Armed Forces; minister of the People's Armed Forces; and first vice chairman of the National Defense Commission, which remain vacant due to O Chin-u's death. A review of Kim Chong-il's attitude and policies implemented by him in the military during Kim Il-song's lifetime will help one understand Kim Chong-il's overall policy on personnel management in the military.

First, Kim Chong-il attached the legitimacy of the North Korean Army to the anti-Japanese guerrillas. In 1978, Kim Chong-il changed the anniversary of the founding of the People's Army to 25 April, which is known to be the founding day of the "anti-Japanese revolutionary guerrilla unit" claimed to have been organized by Kim Il-song during his anti-Japanese armed struggle period. This political action of Kim Chong-il appears to have been prompted by his intent to seek his own legitimacy as the successor of the anti-Japanese guerrillas. In other words, Kim Chong-il's logic was that Kim Il-song, the leader, came from the anti-Japanese guerrilla unit which was the origin of legitimacy of the state, and Kim Il-song, O Chin-u, and other guerrillas with such legitimacy have enthroned Kim Chong-il as the successor. Therefore, Kim Chong-il himself is the most legitimate successor. This is the most important reason that Kim Chong-il kept "old and powerless" guerrillas in important positions up to the present, as long as they did not challenge the father-son hierarchy system.

Second, Kim Chong-il observed the personnel management principle of equally employing the old, the middle-aged, and youth. It is true, however, that the older people, with the guerrilla generation as the center, played only a symbolic role, rather than exercising real power, while the second generation of the revolution, including O Kuk-yol, Yi Pong-won, Kim Kang-hwan and the like, who are the same generation as Kim Chong-il, have grasped the real power. However, although the older generation has no real political power, it is watching and controlling the middle-aged generation and the youths who are apt to commit "rightist errors." In particular, Kim Chong-il himself takes pride in being the incarnation of loyalty and filial piety. This being the situation, courteous treatment of the aged is regarded as a valuable means for winning the people's support.

Third, Kim Chong-il regards the degree of loyalty to him as the standard for appointing core figures. Generally speaking, when a socialist state enters a period of consolidating its political system after going through the initial stage of the revolution, it prefers specialized bureaucrats rather than those who are merely devoted to ideology. However, Kim Chong-il maintained the revolutionary atmosphere through such militant slogans as "revolution," "combat," "movement" and the like, despite the nonrevolutionary period. Based on this atmosphere, Kim Chong-il not only stressed the importance of revolutionary ideology but also emphasized absolute loyalty to the leader [suryong] and to his successor.

Accordingly, no technocrat can be promoted into the power elite possessing a professional specialty alone. Only when he has both party spirit and a professional specialty can he enter such circles.

Who will be the next minister of the People's Armed Forces? The minister of the People's Armed Forces will come from the guerrilla generation. Among others, Choe Kwang (77), chief of the General Staff of the People's Army, is the strongest candidate. As a member of the partisan generation, Choe Kwang once received "party guidance," but was later reinstated as chief of the General Staff due to his high sense of loyalty. He has a deep personal relationship with Kim Chong-il. In 1949, when Kim Chong-suk (Kim Chong-il's mother) died, Kim Ok-sun (Kim Chong-suk's comrade-in-arms and Choe Kwang's wife) took care of Kim Chong-il. In preparation against the day of O Chin-u's death, Kim Chong-il has tried to maintain discipline in the military by visiting the 214th Unit and other units from 1 January. On most such visits, he was accompanied by Choe Kwang. Choe Kwang has already begun acting in O Chin-u's place.

What will become of the shift in generations and military policy? When he was director of the party's Organization and Guidance Department, Kim Chong-il properly adjusted the ratio of each generation in North Korea's power hierarchy to conform with a policy of harmony between the younger, middle, and older age groups. Therefore, it seems no new measures will be taken to achieve a generational shift.

It Is Difficult To Effect Drastic Generational Shifts

Meanwhile, Kim Chong-il has designated the accomplishment of Kim Il-song's "last wishes" as his top policy priority. The military's absolute support is needed to realize these last wishes. With a view to winning the military's support, a joint editorial of the party organ, military organ, and youth organ was issued in place of a 1995 New Year's address in which Kim Chong-il repeatedly praised the military's achievements in contributing to the socialist construction and stressed the need to march forward toward "a new victory" along with himself, the supreme commander.

In conclusion, despite the death of his father Kim Il-song and his absolute guardian O Chin-u, Kim Chong-il will find it difficult to conduct a drastic generational shift or to change the personnel policy which has focused on giving preferential treatment to those of loyalty. Because of this, it is also predicted there will be no major changes in Kim Chong-il's military policy toward the South.

Daily Lists Key KPA Generals by Generation

SK1303061195 Seoul SEOUL SINMUN in Korean 13 Mar 95 p 6

["A List of the Distribution of the Key North Korean People's Army Generals by Generation"]

[FBIS Translated Text]

The First Generation of the Revolution

Choe Kwang (77): member of the Political Bureau of the Central Committee of the Workers Party of Korea [WPK]; member of the WPK Central Military Commission; deputy to the Supreme People's Assembly [SPA]; vice chairman of the National Defense Commission; KPA [Korean People's Army] vice marshal; and chief of the General Staff of the Korean People's Army.

Paek Hak-nim (77): member of the WPK Central Committee; member of the WPK Central Military Commission; SPA deputy; minister of public security; vice chairman of the SPA Legislation Committee; and KPA vice marshal.

Yi Ul-sol (75): member of the WPK Central Committee; member of the WPK Central Military Commission; SPA deputy; member of the National Defense Commission; director of the General Security Bureau of the Ministry of the People's Armed Forces; and KPA vice marshal.

Yi Tu-ik (72): member of the WPK Central Committee; member of the WPK Central Military Commission; SPA deputy; and KPA vice marshal.

Chon Mun-sop (75): member of the WPK Central Committee; SPA deputy; chairman of the State Inspection Commission of the Central People's Committee; and KPA general.

Kim Chol-man (86): candidate member of the Political Bureau of the WPK Central Committee; SPA deputy; member of the National Defense Commission; and KPA general.

Choe In-tok (73): member of the WPK Central Committee; SPA deputy; KPA vice marshal; and president of the Kim Il-song Military Academy.

Tae Pyong-yol (78): member of the WPK Central Committee; SPA deputy; KPA general; and curator of the Victorious Fatherland Liberation War Museum.

Yi Chong-san (72): SPA deputy; KPA general; and vice chief of the KPA General Staff.

Kim Pong-yul (78): member of the WPK Central Committee; SPA deputy; member of the National Defense Commission; KPA vice marshal; vice minister of the people's Armed Forces.

The Second Generation of the Revolution

Kim Ik-hyon (71): member of the WPK Central Committee; member of the WPK Central Military Commission; director of the Civil Defense Department of the WPK Central Committee; and KPA vice marshal.

Cho Myong-nok (65): member of the WPK Central Committee; member of the WPK Central Military Commission; SPA deputy; KPA general; and commander of the Air Force.

Kim Kwang-chin (68): member of the WPK Central Committee; SPA deputy; member of the National Defense Commission; KPA vice marshal; and vice minister of the People's Armed Forces.

Kim Kang-hwan (63): SPA deputy; and KPA colonel general.

Yi Pong-won (70): member of the WPK Central Committee; member of the WPK Central Military Commission; SPA deputy; member of the SPA Deputy Credentials Committee; KPA general; and vice director of the General Political Bureau of the Ministry of the People's Armed Forces.

Chon Pyong-ho (71): member of the Political Bureau of the WPK Central Committee; secretary of the Secretariat of the WPK Central Committee; and member of the National Defense Commission.

Yi Ha-il (65): director of the Defense Department of the WPK Central Committee; member of the WPK Central Committee; member of the WPK Central Military Commission; member of the National Defense Commission; and KPA general.

Kim Tu-nam (67): member of the WPK Central Committee; member of the WPK Central Military Commission; SPA deputy; KPA general; and military assistant to Kim Il-song.

Kim Il-chol (67): member of the WPK Central Committee; member of the WPK Central Military Commission; SPA deputy; KPA general; and naval commander.

O Yong-pang (65): member of the WPK Central Committee; member of the WPK Central Military Commission; and KPA general.

Chang Song-u (67): member of the WPK Central Committee; SPA deputy; vice director of the Political Department of the Ministry of Public Security; member of the SPA Deputy Credentials Committee; and KPA general.

O Kuk-yol (64): director of the Operation Department of the WPK Central Committee; SPA deputy; and KPA general.

Choe Sang-uk (67): SPA deputy; and KPA lieutenant general.

Yi Pyong-uk (58): candidate member of the WPK Central Committee; SPA deputy; KPA general; and vice minister of the Ministry of People's Armed Forces.

The Third Generation of the Revolution

Kim Chong-kak: member of the WPK Central Committee; KPA colonel general; vice minister of the People's Armed Forces.

Kim Myong-kuk: member of the WPK Central Committee; SPA deputy; KPA general; commander of the Pyongyang Command.

Chon Chin-su: member of the WPK Central Committee; SPA deputy; KPA colonel general; deputy chief of the General Staff of the KPA.

Chu Sang-song: member of the WPK Central Committee; SPA deputy; KPA colonel general.

Kim Yong-chun: member of the WPK Central Committee; SPA deputy; KPA general.

Kim Yong-un: member of the WPK Central Committee; KPA colonel general.

Han In-sul: member of the WPK Central Committee; SPA deputy; KPA colonel general.

Kim Ha-kyu: member of the WPK Central Military Commission; SPA deputy; KPA colonel general; director of a bureau of the Artillery Training Guidance Bureau Command.

Nam Sang-nak: member of the WPK Central Committee; SPA deputy; KPA colonel general.

Hyon Chol-hae: member of the WPK Central Committee; KPA colonel general; director of the General Logistics Bureau of the Ministry of the People's Armed Forces.

Chong Chang-yol: alternate member of the WPK Central Committee; KPA colonel general; vice minister of the People's Armed Forces.

Kim Tae-sik: alternate member of the WPK Central Committee; SPA deputy; KPA lieutenant general; director of a bureau of the Ministry of the People's Armed Forces.

Chon Chae-son: alternate member of the WPK Central Committee; KPA general; deputy chief of the General Staff of the KPA.

Yo Chun-sok: alternate member of the WPK Central Committee; SPA deputy; KPA colonel general.

Kim Song-kyu: alternate member of the WPK Central Committee; SPA deputy; KPA colonel general.

Chong Ho-kyun: alternate member of the WPK Central Committee; SPA deputy; KPA colonel general.

Yi Won-chae: alternate member of the WPK Central Committee; SPA deputy; KPA colonel general.

Chu Sung-nam: alternate member of the WPK Central Committee; SPA deputy; KPA colonel general.

Won Myong-kyun: alternate member of the WPK Central Committee; SPA deputy; KPA colonel general; deputy director of the General Political Bureau of the Ministry of the People's Armed Forces.

Paek Sang-ho: alternate member of the WPK Central Committee; KPA lieutenant general.

Yo Pyong-nam: alternate member of the WPK Central Committee; SPA deputy; KPA colonel general.

Kim Tong-yun: member of the WPK Central Committee; SPA deputy; KPA colonel general.

Pak Ki-so: member of the WPK Central Committee; KPA general.

Kang Yong-ho: member of the WPK Central Committee; KPA lieutenant general.

Kim Yong-yong: member of the WPK Central Committee; deputy director of the State Security Department [kukka anjon powibu]; KPA colonel general.

Kim Haeng-yon: member of the WPK Central Committee; KPA lieutenant general.

Ho Kuk-song: member of the WPK Central Committee; SPA deputy; KPA colonel general.

Kim Pok-mun: alternate member of the WPK Central Committee; SPA deputy; KPA colonel general.

Ok Pong-nin: alternate member of the WPK Central Committee; SPA deputy; KPA lieutenant general; president of the Kim Il-song Political School.

Kim Yong-yon: alternate member of the WPK Central Committee; SPA deputy; KPA general; director of the Mangyongdae Revolutionary School.

Kim Sang-ho: alternate member of the WPK Central Committee, KPA colonel general.

Yi Tae-chol: alternate member of the WPK Central Committee; KPA lieutenant general.

Pak Chae-kyong: alternate member of the WPK Central Committee; KPA colonel general; deputy director of the General Political Bureau of the Ministry of the People's Armed Forces.

Paek Chang-sik: member of the WPK Central Committee; KPA colonel general.

Kim Tong-yun: member of the WPK Central Committee; KPA colonel general.

Kim Pong-un: KPA major general.

Kim Chol-su: KPA colonel general or KPA general.

Article Speculates on 'Stunning Event' in DPRK

SK1403045995 Seoul CHUGAN CHOSON in Korean 16 Mar 95 pp 22-23

[Article by U Chong-chang: "What Is the 'Stunning Event' That Occurred in North Korea a Few Days Ago?—Attention Focused on President Kim Yong-sam's Paris Remarks"]

[FBIS Translated Text] President Kim Yong-sam, who is now touring Europe, abruptly said on 3 March that "a stunning event [kiga makhil il] occurred in North Korea a few days ago." He said this during a breakfast meeting in Paris, France with ROK correspondents based in Paris.

President Kim said this after pointing out that "in view of the trend of global history, the reunification of North and South Korea is only a matter of time. However, North Korea has not changed even slightly and the possibility of North Korea's change seems very small at present."

Noting the "stunning event" is that "North Korea has not changed," President Kim said that "he cannot further reveal details of the event." The president's remarks were briefly reported by a vernacular daily on 4 March. However, very few people paid attention to the content of his remarks because the contents didn't make headlines, and were only briefly mentioned in the text.

Therefore, despite the fact that an event so important as to be described as "stunning" by President Kim took place in North Korea, this was not even raised during the meeting of senior presidential secretaries held in Chongwadae [presidential offices] on the morning of 4 March under the chairmanship of chief secretary Han Sung-su. Around lunchtime that day, a certain presidential secretary inquired of relevant government offices about the contents. Following this, however, it became a topic of conversation for many people and Chongwadae began to grasp true aspects of the matter.

Relevant government offices quickly moved to find out, first, the president's source for such a report.

Relevant government officials pointed out: "The sources providing the president with information and intelligence pertaining to North Korean affairs include Chongwadae, the National Unification Board, the Agency for National Security Planning [NSP], and the like. This being the case, the sources are not limited to only one or two. Certain reports even go directly to the president without going through relevant channels. Therefore, in many cases, officials, other than those directly in charge, do not know about the report. We understand that the president received a considerable number of new reports in the wake of his visit to Europe. Therefore, we cannot confirm the basis and background of remarks made by the president, who is provided with the greatest extent of information as the nation's supreme ruler."

Is It About Ugly Scenes Staged by the "Joy Squad [kippumjo]" During Kim Chong-il's Birthday?

Referring to the press report based on the president's remarks, relevant government officials presumed that the information must have been provided by a domestic source, because the event was said to have occurred a few days ago; that the event must be related to North Korea's unchanged domestic situation; and that the "situation" is not so serious as to require the establishment of immediate countermeasures, because it was mentioned during a breakfast meeting.

The relevant officials assumed the "stunning event" concerning North Korea was one of the following:

First, the corruption of North Korean high-ranking officials was fully exposed during the events marking Kim Chong-il's birthday on 16 February.

It is true that eight "Koreans" went to Pyongyang at the invitation of North Korea at the time of Kim Chong-il's birthday. While they have a good command of Korean, however, they are not South Koreans. They were included in the list of invited overseas figures because they had visited North Korea in the past. They went to Pyongyang before Kim Chong-il's birthday and left Pyongyang a few days after Kim's birthday.

Their activities were observed by relevant intelligence organizations. Through them, the relevant organization could grasp the recent atmosphere in Pyongyang. Their testimonies regarding the corruption of the party's core members and the "joy squad," which one could hardly watch for shame, attract our attention.

The "joy squad" is a group of unmarried women who sing and dance for the pleasure of Kim Il-song and his son Kim Chong-il. They are chosen as they graduate from high school and have to be over 160 centimeters tall and weigh less than 50 kg. They range in age from 17 to the early 20's. If they are selected as members of the "joy squad," special privileges are given to their families, and more lavish gifts are given them on Kim Il-song's and Kim Chong-il's birthdays. The team is regarded as a stepping stone for a successful life in North Korea, and its members have a sense of belonging to a special class. "The joy squad" was invited to dance and sing during Kim Il-song's and Kim Chong-il's birthdays in the past. However, it was learned that during Kim Chong-il's recent birthday, core party officials joined with team members and behaved in a shameful manner. "The joy squad" was also deployed to the quarters of overseas compatriots with the purpose of serving them. The age of the team members was known to be around 16.

The abrupt and odd act of "the joy squad" was reflected as amazing even to those overseas compatriots who are known to be relatively familiar with the actual situation in North Korea. It was learned that after returning to their homes, the overseas compatriots unhesitatingly stated that "North Korea's high-ranking officials are indeed corrupt. There must be a limit to Kim Chong-il's leadership."

Thus, the people assume that a relevant organization collected their testimonies and reported them to President Kim Yong-sam before he embarked on his visit to Europe, and recalling this report, President Kim must have deplored the matter as "stunning."

Second, the possibility of an assassination attempt against President Kim Yong-sam.

North Korea, which perpetrated the Aungsan terrorist act [the massacre of ROK Government officials who accompanied then President Chon Tu-hwan on his visit to Burma] during the Fifth Republic, identified President No Tae-u, who was visiting China during the Sixth Republic, as an assassination target. However, North Korea's attempt failed due to the positive blockade of Chinese security authorities after detecting such an attempt.

When President Kim Yong-sam visited China last year, North Korea showed similar acts to those demonstrated during the Sixth Republic. North Korea's actions also ended in failure thanks to actions by Chinese security authorities, of which China belatedly informed the ROK.

The relationship between North Korea and France, the first nation President Kim visited in Europe, is not bad. This was proven by the fact that O Chin-u chose France as the nation for treating his cancer. There are quite a few North Korean high-ranking officials who received medical treatment in France in addition to O Chin-u.

Therefore, there is a possibility that North Korea had regarded France as an appropriate place for assassinating President Kim. Burma, where North Korea perpetrated the Aungsan terrorist act, and China, where North Korea attempted to assassinate Presidents No and Kim, are all friendly nations to North Korea. This notwithstanding, North Korea will certainly commit a terrorist act in any country, irrespective of its face as a friendly nation to that country. This being the case, France cannot be the exception.

Thus, the people assume the possibility that President Kim, knowing North Korea's reckless attempt, shuddered at it, and deplored North Korea's act as "stunning."

Third, President Kim might have been under the influence of North Korea's negative intelligence maneuvers. In order to make President Kim leave for Europe with a heavy heart, North Korea might have possibly spread negative intelligence. Knowing this intelligence as part of groundless and preposterous psychological warfare, President Kim must have reacted to this, describing it as "stunning."

Regarding the possibility of negative intelligence, a relevant official in Chongwadae pointed out that "when commotions over the rumor on Kim Il-song's death were touched off in 1986, the organization which denied it from the beginning to the end was the NSP. North Korea's negative intelligence, set forth as part of psychological warfare, can be fully examined and checked by the NSP. Therefore, the possibility of spreading negative intelligence this time is very slim."

Fourth, the possibility of North Korea putting forward a proposal to the South, which it has repeatedly invariably talked about for the past 50 years.

On 24 January, North Korea's Vice President Kim Pyong-sik proposed to Yi Ki-taek, president of the Democratic Party in South Korea, "to jointly convene a pannational conference in Panmunjom on 15 August, the national liberation anniversary, and to discuss the nation's common measures for national reunification."

Following this, Kim Yong-sun, chairman of North Korea's Asian-Pacific Peace Committee, made the same proposal to Kim Tae-chung, chairman of the Asian-Pacific Peace Foundation in South Korea. Needless to say, all these proposals were rejected.

The relevant organization pointed out that such proposals by North Korea are nothing new and are the same menu it has repeatedly put forward for the past 50 years. The pretext of North Korea inviting Mr. Kim Ku and Dr. Kim Kyu-sik to North Korea in 1948 was also convocation of a grand pannational conference, and North Korea triggered the Korean war only a week after it proposed to convene a grand pannational conference between 17 and 18 June. Nevertheless, North Korea is attempting to take advantage of its invariable menu it has used for the past 50 years. This being the case, the people assumed that President Kim must have touched on this "stunning matter."

However, it is a dominant observation that President Kim would not have described "what is conceivable" as a "stunning event."

At any rate, the fact that "something occurred in North Korea and President Kim personally mentioned it" is very clear. The relevant organization assumes that among these four possibilities, the first assumption is most likely related to "the stunning matter." However, none in this organization made a definite and confident conclusion.

Hyundai Institute Conducts N-S Relations Poll

SK1403075895 Seoul YONHAP in English 0740 GMT 14 Mar 95

[FBIS Transcribed Text] Seoul, March 14 (YONHAP)—A majority of the South Korean people agree that if North Korea rejects the South Korean model reactors which Seoul, Washington and Tokyo agreed to supply to the North under the nuclear accord between North Korea and the United States in Geneva last October, the country should refuse to provide any funds to the North's reactor construction project, according to a recent poll.

The survey of 800 citizens and 200 North Korea experts (economists and political scientists) in the six major cities—Seoul, Pusan, Taegu, Kwangju, Inchon and Taejon—on inter-Korean relations conducted by Hyundai Institute from Feb. 13-14 revealed that 47.9 percent of the citizens and 64.5 percent of the experts shared that view.

Those saying the country should reduce its share of the financial aid accounted for 21.4 percent of the citizens and 22 percent of the experts, while those wanting the country to provide its share of the aid despite the North's rejection of the South Korean reactor model represented 17.6 percent and 7 percent, respectively.

As for inter-Korean economic cooperation, 58.8 percent of the citizens and 71.5 percent of the experts were for such cooperation even at the expense of some economic losses, while 31.1 percent and 25 percent were cautious, saying economic profits should be taken into account in pushing cooperation programs.

Those expressing that the government should control businesses investing in the North to check excessive investment and cutthroat competition for the North Korean market represented 63.1 percent of the citizens and 71.5 percent of the experts.

And those expecting the North to take a passive attitude toward economic cooperation with the South because of political reasons accounted for 68.3 percent of the citizens and 80.8 percent of the experts.

Some 70 percent of the two groups believed that North and South Korea must be unified into a single nation; 42.5 percent of the citizens and 53.5 percent of the experts expected unification in at least 10 years, 26.1 percent and 33 percent predicted it in five to 10 years.

As for the possible unification approach, those expecting unification through the North's collapse and merger into the South represented 51.6 percent of the citizens and 67 percent of the experts. Those for unification through an inter-Korean political agreement stood at 37.8 percent and 26.5 percent, respectively, while those wishing to achieve unification by force represented 3 percent and 1 percent, respectively.

While 22.3 percent of the two groups who believed that unification would occur 10 years from now with the demise of North Korea, 15.8 percent expected that North and South Korea would agree to a unification plan 10 years from now.

When asked about post-reunification problems, 37.5 percent of the two groups cited politico-ideological differences, 29.5 percent economic confusion, 18.5 percent socio-cultural differences, 5.5 percent the South's heavy burden of unification costs, 4 percent land ownership in the North and another 4 percent population movements.

Experts who considered the North's unification policy as a tool of maintaining status quo, rather than of achieving unification, stood at 67.5 percent.

Over 80 percent of the two groups said the North is suffering from a grave economic crisis, though said the economy is not bad enough to break down in the near future as the economy has sustained difficulties over many years and has not particularly deteriorated recently.

The prevailing view of the two groups was that Kim Chong-il's gradual open-door policy would worsen the economy or, at best, would not make any significant change for the economy.

As for sentiments toward the North Korean people, 51.6 percent of the citizens and 62 percent of the experts said they consider them as brothers and sisters.

Those having no particular feeling toward them accounted for 39 percent of the citizens and 33 percent of the experts, while those considering them as an enemy stood at 9.4 percent and 5 percent, respectively.

As for feelings toward the North Korean regime, 39.9 percent of the citizens and 57.5 percent of the experts had enmity; 32.6 percent and 29.5 percent dislike; and 27.4 percent and 13 percent no particular feeling.

Citizens having enmity against the North Korean Government accounted for 49.7 percent of those aged 50 and above, while those disliking it represented 37.5 percent of people in their 20s, 34.1 percent in the 30s, 29.7 percent in the 40s, and 24.8 percent in the 50s and above.

Prudence Urged in Japan-DPRK Negotiations

SK1203081295 Seoul TONG-A ILBO in Korean 12 Mar 95 p 3

[Editorial: "Japan's Contact With North Korea Is Being Carried Out With Haste"]

[FBIS Translated Text] It seems that Japan's move to hold contacts with North Korea to establish diplomatic relations has been suddenly stepped up these days. Since December 1994, when Japanese Foreign Affairs Minister Kono Yohei urged North Korea to resume negotiations to establish diplomatic relations, North Korea and Japan held secret talks in mid-February in Singapore and, sometime this week, Japan's three-party delegation will visit Pyongyang to discuss the resumption of negotiations.

The moves for negotiations to establish diplomatic relations have made quick progress in just a few months. The DPRK-Japan negotiations to establish diplomatic relations broke during the eighth round of negotiations in November 1992. The apparent reason for the break in negotiations was the incident involving the Japanese woman Yi Un-hae [the Japanese instructor to former North Korean terrorist Kim

Hyon-hui who was responsible for the bombing of the Korean Air Lines plane in 1983]. Japan claimed that she had been kidnapped and urged the DPRK to allow her to return. However, the real reason behind the break in negotiations was that DPRK-Japan negotiations could not make progress without the improvement of the North Korea's nuclear issue.

It is said that a compromise is being worked out between the two sides. The Yi Un-hae issue, which was a great stumbling block in the negotiations between the two sides to establish diplomatic relations, would reportedly be discussed through another channel separate from the negotiations to establish diplomatic relations. Since the Geneva nuclear agreement was concluded in November 1994, North Korea has been carrying out diplomatic activities focusing on the United States, but by attempting to improve relations with Japan now, its intention is to receive compensation and economic cooperation from Japan and cause a crack in the ROK-U.S.-Japan tripartite cooperative system. It seems that Japan estimated that it is time to hold negotiations to establish diplomatic relations so that Japanese businesses can give assistance in investing in North Korea.

There is no reason for us to oppose Japan holding negotiations with North Korea to establish diplomatic relations and ultimately normalize positive relations. Rather, if the establishment of diplomatic relations between North Korea and Japan is favorable for peace and security on the Korean peninsula and Northeast Asia, it is a matter to be encouraged. The problem is whether now is the time for Japan to set the spurs in negotiations with North Korea to establish diplomatic relations. We believe that now is not the time. By rejecting the ROK-type light-water reactor of the Korean Energy Development Organization, North Korea is trying to break the Geneva agreement and once again is driving the Korean peninsula and its neighboring regions towards a tense situation.

The Japanese Government is also worried about the fact that since North Korea deployed enormous military capabilities along the armistice line and is developing long-range missiles, the Korean peninsula is not safe. Recently, the United States also considered such a situation on the Korean peninsula and scrapped its original plan to reduce military strength in the Asia-Pacific region. Rather, it decided to maintain 100,000 forces in this area. An important political reason for maintaining military strength is that North Korea is not responding at all regardless of persistent calls by the ROK and neighboring countries to hold South- North dialogue.

Since fundamental issues such as North Korea's nuclear issue and the South-North dialogue have not yet been resolved, the situation on the Korean peninsula is unstable at this time. We do not oppose DPRK-Japan negotiations on establishing diplomatic relations, but we believe that if the Japanese Government held negotiations with North Korea to establish diplomatic relations at a time when progress is made in South-North dialogue and a stable atmosphere is achieved on the Korean peninsula, it would prevent North Korea from making misjudgments on various issues, including the light-water reactor issue, thus, contributing to peace and security in this region.

Belgian Prime Minister Views DPRK Relations

SK1103080695 Seoul CHOSON ILBO in Korean 11 Mar 95 p 4

[Article based on 10 March questions and answers session between Belgian Prime Minister Jean-Luc Dehaene and ROK reporters by Cho Chong-taek in Brussels]

[FBIS Translated Text] Belgian Prime Minister Jean-Luc Dehaene met with ROK reporters on 10 March, prior to the upcoming visit by President Kim Yong-sam to Belgium. At the news conference, he said that while European countries are likely to establish diplomatic relations with North Korea at the European Union [EU] level, inter-Korean relations should first precede them. The following is a summary of questions and answers at the session:

[Unidentified reporter] What is your opinion on the possible establishment of diplomatic relations between North Korea and Belgium? And, what measures are being taken to induce North Korea to open itself up?

[Jean-Luc Dehaene] The EU and Belgium have encouraged [changnyo] the necessary measures to normalize relations between South and North Korea. Above all, South and North Korea must put those measures into practice by themselves. We will not act on our own volition, but keep pace with other EU member nations in establishing diplomatic relations with North Korea. I hope inter- Korean dialogue will be held first.

[Unidentified reporter] What do you think is a desirable way to resolve the North Korean nuclear issue?

[Dehaene] I agree with the U.S. viewpoint that collective control of nuclear weapons is necessary. EU is closely linked with the ROK position on the North Korean nuclear issue.

[Unidentified reporter] What do you think is the significance of President Kim Yong-sam's visit to Brussels?

[Dehaene] I expect that his visit will positively affect not only the strengthening relations between the two countries but expanding exchanges between the ROK and EU. President Kim's visit to Brussels is regarded as a visit to the EU capital, and his visit to Belgium is regarded as a visit to the EU.

[Unidentified reporter] What are the prospects for future economic cooperation between the ROK and Belgium?

[Dehaene] Belgium can play the role of the ROK's most desirable partner in expanding relations between the ROK and EU because it is located in the center of Europe. We have advanced technologies and try to guarantee investment and tax benefits. In addition, because Belgium has many EU administrative organs in its territory, Belgium should be the starting point for advance into EU by countries in other regions.

[Unidentified reporter] You strongly support the integration of Europe. What is your vision for European integration?

[Dehaene] Europe must be something more than a simple free- market zone, and and should be based on a theory of multi-phased integration. Countries which are active in building the united states of Europe will be the first to play a role in integration. Even if just a few countries realize a single-currency system among themselves, it would serve as an impetus for more integration.

DPRK Said Seeking Territorial Claim to Paektu

SK1303070395 Seoul CHOSON ILBO in Korean 13 Mar 95 p 2

[Hong Kong-based correspondent Kim Song-yong]

[FBIS Translated Text] According to pro-PRC sources in Hong Kong on 12 March, the PRC has been greatly concerned over the possibility of a PRC-North Korean border dispute ever since North Korea claimed its territorial right to a part of Chonji, the crater lake on Mt. Paektu, in June of 1994.

According to these sources, Choe Kwang, chief of the General Staff of the North Korean People's Army, visited the PRC in June 1994 and made an official claim to Jiang Zemin, general secretary of the CPC, and Liu Huaqing, vice chairman of the CPC Central Military Commission, that two-thirds of the crater lake on Mt. Paektu should be incorporated into North Korea. The PRC is concerned that the sparks of North Korea's claim might flare into a PRC-DPRK border dispute.

The military leadership of the PRC regarded the North Korean claim as a negotiation strategy for requesting PRC oil and food aid, and strongly opposed it on the ground that if the PRC acceded to North Korea's demand, it would set a new precedence in territorial disputes, including that of the Nansha [Spratly] Islands, the sources said.

Seoul Approves 8 More Businesses To Visit North

SK1303032795 Seoul YONHAP in English 0258 GMT 13 Mar 95

[FBIS Transcribed Text] Seoul, March 13 (YONHAP)—The government approved applications for a visit to North Korea by 13 businessmen from eight South Korean businesses, the National Unification Board (NUB) said Monday [13 March].

The businesses are Haeduk Express Co., Sansu Drink Co., Tae Ho Construction Co., Kia Intertrade Corp., Hyosong H.K. Ltd., a Hong Kong Corporation of Cheil Food and Chemicals, Inc., Union Overseas Co. Ltd. and Korea Special Shipping Co.

The number of the South Korean businesses, which have obtained approval for visits to North Korea since Nov. 8 when the government announced its measures to revitalize inter-Korean economic cooperation, increased to 18.

So far, eight of them, including Ssangyong, Daewoo and LG, have actually visited North Korea.

Of the companies, Haeduk, Sansu and Tae Ho, and Hyosong, Cheil and Union overseas will form two respective teams for joint visits to the North, an NUB official said.

He said, "The government will approve any application by businesses for a visit to the North if there is no disqualification according to the South-North exchange and cooperation law."

Meanwhile, some business sources hinted that Kia and unions overseas will visit Pyongyang while the other businesses will journey to the Najin-Sonbong free economic and trade zone.

U.S. Studies Referring Trade Issues to WTO

SK1103035095 Seoul YONHAP in English 0214 GMT 11 Mar 95

[FBIS Transcribed Text] Washington, March 10 (YONHAP)—The U.S. Government is actively studying ways to refer trade issues concerning expiration-dates of American food products exported to South Korea to the World Trade Organization (WTO) if they are not settled in bilateral negotiations by the end of April this year, informed sources here said Friday [10 March].

The U.S. side has hinted at its intention to take necessary steps to take the issue to the WTO, if the dispute on South Korea's regulations on expiration-dates of imported food is not settled in bilateral negotiations, according to the sources.

Christina Lund, director-general for Korean affairs at the United States Trade Representative, visited Seoul last week to have informal meeting with Chang Ki-ho, director-general of the International Trade Bureau at the Foreign Ministry.

But they could not narrow their differences on the issue, the sources said.

The two nations are scheduled to have working-level negotiations in Washington in April.

South Korea has enunciated its position that it will allow the food-makers themselves to decide on the expiration-dates of their food including sausages and frozen meat by 1998. But the U.S. Government is strongly asking South Korea to take the measure by 1996.

The U.S. Government is also complaining that South Korea included vacuum-packed pork and vacuum-pack beef in the category of "fresh meat" to allow only 10 days and 14 days of expiration dates to the imported pork and beef, respectively. That is actually blocking the import of U.S. vacuum-packed meat, according to the U.S. Government.

If a trade dispute is referred to the WTO, the countries concerned are to continue their bilateral negotiation for 60 days before a WTO panel studies technical problems of the dispute. And then, the dispute settlement body of the WTO will adopt the data of the panel to make a final decision.

Shipping Firms Oppose U.S. Antitrust Move

SK1203015195 Seoul THE KOREA HERALD in English 12 Mar 95 p 8

[FBIS Transcribed Text] Korean and Japanese shipping companies are combining forces to deter the new Republican-controlled U.S. Congress' move to deregulate its ocean freight transportation by ending ocean carriers' immunity from antitrust laws, among others.

"Korean shippers, like most shipping powers, are strongly opposed to the U.S. Congress' move to repeal the Shipping Act of 1984 which calls for the abolition of the antitrust immunity which would bring about a freight rate war, pricing instability and over competition among shipping lines," said Cho Sang-uk, chairman of the Korea Shipowners' Association (KSA), yesterday.

Cho, defending the antitrust immunity in the liner shipping industry, appealed for a concerted effort by world shipping powers to bar the U.S. Congress' attempt to deregulate the Shipping Act of 1984 and abolish the Federal Maritime Commission (FMC), which overseas the enforcement of the act.

In the United States, carriers have put up strong opposition against the proposal on the appeal of the act, made by the National Industrial Transportation (NIT) League, the largest shippers organization in the United States, early this year.

Shippers and carriers squared off at a hearing before a House maritime subcommittee Feb. 2, and two more hearings are scheduled to be held by the end of this month.

Expecting a cut in freight rates, shippers have advocated eliminating the FMC and with it the antitrust exemption afforded with international shipping lines under the act. They have advocated deregulating ocean carriers by eliminating carrier conferences and collective price setting.

The pro-repeal group, which perceives the new Republican-controlled Congress as more receptive than the Democrats to its deregulatory themes, has argued that liner shipping is like any other industry and it should be opened to the free market system of unfettered competition.

Supporters of the Shipping Act of 1984 argue that liner shipping is different from other industries. Opening it up to a free market, they say, would result in market upheavals that would interfere with the ability of shippers to get the service they need and the ability of carriers to provide such service.

It is customary that shipping companies have an extraordinary immunity from the antitrust laws that allows them to fix prices and otherwise limit competition.

The new bill, however, wouldn't allow legally authorized cartels, called conferences under the existing Shipping Act, to fix prices, artificially restrain supply, pool revenues and earnings.

"Shipping is not a normal industry because of its unique features like high barriers to entry, large ships, erratic demand and the need to coordinate complex route systems," Cho said, adding that the free market principles couldn't be applied to the shipping industry for security and economic reasons.

He expressed grave concern that the ill-conceived reform that ignores the realities of international ocean shipping could well throw this vital link between the United States and the world's markets into sporadic disruptions in service, extreme price fluctuations and result in wasting of capital investments and discrimination against smaller shippers.

Cho said that the KSA, which represents the interests of Korean shipowners, received a letter from the Japanese Shipowners' Association (JSA) last week which pledges to take a joint action against the U.S. Congress' move to abolish the antitrust immunity.

"Asian shipping powers will put the issue on table as a priority agenda at the forthcoming Asian Shipowners' Forum scheduled for May in Taiwan," said Cho, who was reelected to a three-year chairmanship of the KSA Jan. 20 this year.

Seoul, U.S. Cooperate on Mainframe Computers

SK1103012895 Seoul THE KOREA HERALD in English 11 Mar 95 p 8

[FBIS Transcribed Text] South Korea and the United States have agreed to jointly develop the next-generation main frame computers.

Two Korean electronics giants—Samsung Electronics Co. (SEC) and Hyundai Electronics Industries Co. (HEIC)—and AT&T have recently decided to form a strategic alliance to produce a main frame parallel processing computer.

SEC and HEIC are to sign a formal agreement on their technological partnership with AT&T GIS by the end of this month.

AT&T GIS, a unit of the world's largest telecom company, was established shortly after AT&T took over computer maker NCR.

Under a government-initiated project to develop a new main frame computer model, Samsung and Hyundai have long sought for a foreign partner.

Main frame parallel processing computers are expected to be used by multimedia telecom service carriers, including TV networks, in the near future.

The telecom carriers will quickly transmit a variety of multimedia information on education, entertainment and movies, for instance, to TVs and ordinary PC users through fiber-optic cables after storing them in the main frame computers.

Under the agreement, SEC and HEIC are to develop a domestically made model in the first half of next year after having the "System 3600" technology transferred from AT&T GIS.

Then the three companies will set about joint efforts to manufacture an advance model of System 3600.

AT&T GIS has expressed willingness to transfer even source code technology to the Korean partners.

The products, to be produced through the partnership, will be exported to the whole world, except the United States and Europe.

AT&T seems to have selected South Korean companies as partners in a bid to occupy the Asian market ahead of its archrival, IBM.

Meanwhile, LG Electronics and Korea Computer Inc. will take part in the U.S.-Korean partnership as sales agents.

Seoul, EU Adopt Joint Declaration on Ties

SK1403102495 Seoul YONHAP in English 1011 GMT 14 Mar 95

[FBIS Transcribed Text] Brussels, March 14 (YONHAP)—South Korean President Kim Yong-sam and European Union (EU) Commission President Jacques Santer agreed in a meeting Tuesday to make concerted efforts for constructing information superhighway networks between South Korea and the EU.

The one-hour meeting at the EU headquarters here wrapped up Kim's 14-day, six-country tour of Europe during which he also attended the World Summit for Social Development. He is scheduled to depart Brussels for home Tuesday afternoon and will arrive in Seoul Wednesday afternoon.

At the meeting, Kim and Santer adopted a joint declaration, pledging to make joint efforts for the deepening of relations between Seoul and the EU, peace and security in the world community and the development of a new world trade order under the World Trade Organization (WTO) framework.

To lay the institutional foundation for future mutual cooperation, the two leaders concurred on the adoption of a South Korea-EU basic cooperation agreement and joint political declaration. A working-level officials' meeting will be held in Brussels soon to negotiate details of the proposed agreement.

While agreeing to positively cooperate with each other for strengthening a multilateral world trade system, they agreed on the need to have a consultation channel between the Asia-Pacific Economic Cooperation (APEC) and the EU.

As for science and technology cooperation, it was agreed at the meeting to exchange five post-doctorate researchers annually from 1995 and also to exchange scientists and information in the nuclear field.

Kim, pointing out the enlarging South Korean trade deficits with the EU, raised the need to rectify the imbalance and expand bilateral trade. He said that EU's anti-dumping measures should not be abused as a means of restricting trade with South Korea.

In response, Santer said there can be no anti-dumping restrictions aiming at South Korean merchandise and that the trade imbalance can be rectified through trade expansion.

The European formula of achieving political integration through economic integration would offer a useful reference to unification of the Korean peninsula, Kim noted.

British, ROK Firms Plan NEU Development

SK1103034995 Seoul YONHAP in English 0231 GMT 11 Mar 95

[FBIS Transcribed Text] Seoul, March 11 (YONHAP)—Two British companies have concluded a statement of intent to jointly develop with a South Korean company a highly advanced "Neutron Exposure Unit" (NEU), a neutron radiography facility for inspection of aircraft corrosion and non-destructive material tests.

Rolls-Royce Plc. and Oxford Instruments Plc. agreed to that effect Friday [10 March] in London in the presence of South Korean International Trade-Industry Minister Pak Chae-yun, now in Europe accompanying President Kim Yong-sam, Rolls-Royce's Seoul branch announced.

The joint-investment plan was made as part of the South Korea- Britain Industrial Cooperation Agreement (ICA) signed between the two countries' trade and industry ministries earlier in the day to facilitate technology cooperation between businesses of the two countries, a government official here noted.

It was not immediately known which business will be their partner in Korea. Informed sources, however, said that the Korean Air (KAL) is likely to be nominated as their partner. The two British companies commissioned the ICA to select their Korean partner.

Applications of the neutron inspection technology are inspections of corrosion, liquid flows in machinery, baggage and containers for drug and explosives at the airport, the official explained.

Rolls-Royce is a leading provider of inspection and non-destructive testing services to industry and Oxford instruments is a world leader in applied magnetics and superconductivity.

Results of Fishery Talks With PRC Summed Up

SK1203104295 Seoul TONG-A ILBO in Korean 12 Mar 95 p 2

[Report by Kim Cha-su: "Summing Up of ROK-PRC Working-Level Fishery Talks"]

[FBIS Translated Text] During the third ROK-PRC working-level fishery talks held in Seoul for three days from 8 March, our government was driven into the situation of "going for wool and coming home shorn."

The government set up a goal to discuss during the current talks the sea zone jurisdiction issue so that it would lead to a fishery agreement between the two countries. However, in the event that the two sides failed to narrow their differences, the government intended to call for the establishment of a proper fishery order, even on a temporary basis. For this, our government explained that the sea zone it declared in 1953 for the protection of fishery resources (50 to 100 nautical miles) is the area over which we have the exclusive fishing right. Therefore, the government revealed that it would maintain strict control over Chinese fishing boats that come into this zone on the charge of illegal fishing.

However, China insisted on free fishing on the open sea outside territorial waters of 12 nautical miles, claiming that our sea zone for the protection of fishery resources was declared unilaterally. Thus, the Chinese side flatly rejected our proposal. Besides, China made clear its intention to continue fishing on the sea outside territorial waters as it did up to now. However, China promised to make its fishing boats refrain from fishing in "the special sea zone" near Paengnyong Island where the ROK bans fishing even to its own fishing boats.

In other words, the Chinese side again refused to accept the ROK Government's position to control fishing within the sea zone for the protection of fishery resources terming it an illegal act. As a result, the ROK will not be able to control Chinese boats from fishing in this zone in the future, because China will protest against the ROK Government's control of Chinese boats within the sea zone for the protection of fishery resources, stressing that the Chinese side only recognized the ROK's 12 nautical mile-territorial waters. Thus, the issue would clearly develop into a diplomatic problem.

China has not declared the basic line of territorial waters even after adopting the principle of 12 nautical mile-territorial waters. China demanded, however, that we recognize the Mao Zedung line (about 50 nautical miles)—the line of China-Japan fishing accord—as Chinese territorial waters. In other words, China revealed it would consider the ROK's fishing within the Mao Zedung line as an illegal act. Our delegation demanded that China declare the basic line of its territorial waters. However, the Chinese side repeatedly demand that the ROK recognize the present Mao Zedung line as China's territorial waters for the time being, claiming that China is currently pushing ahead with measures concerning the declaration of the basic line of its territorial waters. As a result, the area in which our fishing boats can freely engage in fishing is to be reduced.

Exports of Heavy, Chemical Goods to Japan Rise

SK1103015195 Seoul THE KOREA HERALD in English 11 Mar 95 p 8

[FBIS Transcribed Text] Korea's exports of heavy and chemical products to Japan have been on a hefty rise thanks to the strong yen, which makes Korean products more competitive in terms of prices than Japanese ones.

Figures, made available at the Ministry of Trade, Industry and Energy (MOTIE) yesterday, showed that Korea's exports of heavy and chemical goods to Japan surged by 25.3 percent in 1994 from a year ago, against the mere 5.1 percent rise recorded in its exports of light industrial goods to the neighboring country.

In 1994, Korea shipped out $7,786 million worth of heavy and chemical products to Japan, accounting for 57.6 percent of the nation's total exports standing at $13.5 million. The comparable portion went up from 51.3 percent in 1992 to 53.7 percent in 1993.

Meanwhile, Korea's shipments of light industrial goods to Japan amounted to $3,551 million last year, representing 26.3 percent of its total exports. The portion decreased from 31.2 percent in 1992 to 29.2 percent in 1993.

The snowballing portion of heavy and chemical products in the nation's exports to Japan was largely attributable to the strengthening value of the yen, under which Japanese companies increase their imports of Korean-made electric-electronics and chemical goods plus machinery, which are relatively cheaper than Japanese ones, a MOTIE spokesman said.

Korea's exports of electric and electronic goods to Japan soared by 46.5 percent from a year earlier to $3,298 million in 1994, and its shipments of chemical products to the neighboring country rose by 29.2 percent to $749 million.

Shipments of machinery and transportation equipment to Japan went up by 24.9 percent to $625 million in 1994 and those of steel and metal goods increased by 12.7 percent to $2,009 million.

Members of PKO Team to Western Sahara Return

SK1203015395 Seoul THE KOREA HERALD in English 12 Mar 95 p 3

[FBIS Transcribed Text] Twenty-six members of the Korean military medical team, dispatched to Western Sahara last August to join the U.N. peace keeping operation (PKO), will return home today, the Defense Ministry announced.

Their mission has been taken up by members of the second delegation, which was sent earlier this month.

The Korean medical team is providing medical aid mainly to about 490 U.N. PKO troops from 27 countries who are supervising a truce between Morocco and Polisario or the Western Sahara Liberation Front.

Seoul Informs WTO of Export Restraints Change

SK1203014795 Seoul THE KOREA TIMES in English 12 Mar 95 p 8

[FBIS Transcribed Text] The government has informed the secretariat of the World Trade Organization (WTO) that Korea will scrap safeguard measures on two items by the end of 1999 and export self-restraints on five items by the end of 1998, the Trade, Industry and Energy Ministry said yesterday.

The two items are pickled shrimps and red pepper paste and the five items are microwave ovens, color oysters and peeled chestnuts.

The ministry notified that Korea will adopt the "transitional safeguards system" provided under the WTO accord on textiles and clothing.

Atlantic Council Studying East Asia Security

SK1103063095 Seoul YONHAP in English 0535 GMT 11 Mar 95

[FBIS Transcribed Text] Seoul, March 11 (YONHAP)—Senior research fellows of a private American institute on international security issues will visit South Korea from Sunday through Tuesday, the Defense Ministry said on Saturday.

The nine research fellows of the Atlantic Council, led by Stanley R. Resor, vice chairman of the council, have visited North Korea, China and Taiwan since Feb. 28 on a research tour on security situation in the Asia-Pacific region, according to the ministry.

This will be their first visit here.

They are scheduled to visit senior officials of the Defense Ministry on Monday to exchange views on regional security issues, including nuclear disarmament and multilateral security system in the Asia-Pacific region.

The Atlantic Council, which was founded in 1962, has developed U.S. security strategies in the European region to report them to the U.S. Government and Congress.

31 ROK Businesses Rank Among Asia's Largest 200

SK1103003795 Seoul THE KOREA TIMES in English 16 Mar 95 p 16

[FBIS Transcribed Text] Thirty-one Korean business firms, including the Samsung, Hyundai and Daewoo Corporations, are included in the ranks of 200 largest Asian companies.

Meanwhile, 77 Japanese companies made it into in the top 200, sweeping all places from the first to 38th.

This news is reported in the latest issue of INTERNATIONAL BUSINESS ASIA, A weekly magazine specializing in the economic situation in the Asian region, according to a dispatch from the Sydney office of the Korea Trade Promotion Corp. (KOTRA).

Of them, the Samsung Corp. leads the Korean firms standing at 50th place, and is followed by the Hyundai Corp. (56th), Daewoo Corp. (62nd), Samsung Electronics Co. (70th), Korea Electric Power Corp. [KEPCO] (77th), Hyundai Motor Co. (79th), Pohang Iron and Steel Co. (84th), Yukong Ltd. (90th), LG Electronics Co. (94th) and Kia Motor Co. (96th).

Others included in the "big 200" are Daewoo Heavy Industries (106th), Sunkyong Ltd. (107th), the Hyundai Engineering and Construction Co. (108th), Korean Air (110th), the Ssangyong Group (115th), LG Petrochemical Co. (116th), Samsung Heavy Industries Co. (132nd), Kyong-in Energy Co. (133rd), Dong Ah Construction Industrial Co. (135th), Samsung Engineering and Construction Co. (143rd), Hyundai Precision and Industry Co. (145th), Cheil Food and Chemicals Inc. (147th), Samsung Electro-Mechanics Co. (152nd), Hanjin Shipping Co. (153rd), Inchon Iron and Steel Co. (159th), Hanyang Chemical Corp. (167th), and Ssangyong Cement Industrial Co. (177th).

These companies registered an aggregate turnover of 199.6 billion Australian dollars, accounting for 5.1 percent of the total turnover of all the 200 largest Asian companies.

In terms of profit, KEPCO runs way ahead of the other Korean firms posting one of 711 million Australian dollars.

Official on Number of Alien Trainee-Workers

SK1103013195 Seoul YONHAP in English 0056 GMT 11 Mar 95

[FBIS Transcribed Text] Seoul, March 11 (YONHAP)—The number of foreign trainee-workers chiefly employed by small and medium-sized industries will be pegged at 30,000.

A ranking International Trade and Industry Ministry official said Saturday [11 March] the alien workers training plan would fix the number of foreign trainee-workers at 30,000, as Finance-Economy, Justice and Foreign Ministries oppose the Labor Ministry-proposed alien workers employment plan intended for increased employment of foreign workers.

Many small and medium-sized businesses call for an increased influx of alien trainee-workers to settle their labor shortages, but the government will not accept the demand because a large influx of foreign workers is expected to entail serious socio-cultural problems, he remarked.

Because the immigration law allows alien trainee-workers to extend their stay in the country by one year, there will be no large recruitment of these workers for the time being, he said, adding that the Korea Federation of Small Business which is responsible for the management of foreign trainee-workers would fill the openings made by those returning home by inviting new foreign trainee-workers.

The alien workers training plan was implemented in May last year, with 20,000 trainee-workers brought into the country chiefly from Southeast Asian and African countries against the target of 30,000. They are now working chiefly at small and medium-sized industries, including textile and footwear industries.

The remaining 10,000 foreign trainee-workers will be brought into the country during the first half of the year, the official said.

Business sources said the plan to peg the number of foreign trainee-workers at 30,000 would face a strong opposition from small and medium-sized industries demanding an increased influx of such alien workers as they are excluded from the allotment of these workers by the Korea Federation of Small Business.

Foreign Oranges in Local Markets for First Time

SK1303061695 Seoul YONHAP in English 0531 GMT 13 Mar 95

[FBIS Transcribed Text] Seoul, March 13 (YONHAP)—Foreign oranges hit the market nationwide Monday [13 March] for the first time.

Out of 15,000 tons of oranges that South Korea is obliged to import this year under the World Trade Organization (WTO) rules, 1,055 tons, imported from the United States, were sold at wholesale farm produce markets in the country Monday, the Ministry of Agriculture, Forestry and Fisheries disclosed.

South Korea imported about 1,000 tons of oranges a year for consumption in tourist hotels and a small quantity of oranges found its way to the local market from U.S. military units. But this is the first time that foreign oranges have been put up for general sale in the local market.

With the exception of 1,000 tons allocated for foreign exchange earnings, the ministry plans to import the required quantity of foreign oranges by the end of April to stabilize tangerine prices.

Imported for 560 won per kilogram from California, the oranges are expected to be sold at 1,880 won wholesale and 2,560 won retail, very close to the current retail price of domestically produced tangerines at 2,566 won.

The latter figure represents a 82.5 percent increase over the previous year's 1,406 won. The sharp price hike is attributed mainly to a 27.5 percent decline in the tangerine harvest last year. The tangerine harvest stood at 549,000 tons last year, while the previous year's was 619,000 tons.

Samsung Seeks To Enter Nuclear Energy Industry

SK1203014495 Seoul THE KOREA TIMES in English 12 Mar 95 p 8

[FBIS Transcribed Text] Samsung Construction is vigorously pursuing nuclear energy-related business and the industry is speculating that it is recruiting qualified personnel from other companies.

The company has concluded an agreement with an American company for the transfer of construction technologies and is busy recruiting nuclear energy experts from overseas.

Industry sources said Samsung has been discussing participation in various projects, encouraged by a decision by the Korea Electric Power Corp. (KEPCO) to allow companies with no prior experience to participate in the construction of new nuclear plants.

KEPCO officials said the first project to include companies with no nuclear background will be Yonggwang Nuclear Units 5 and 6, the bidding for which is expected soon.

The sources said Samsung has also expressed eagerness to participate in the construction of a nuclear waste repository to be constructed on Kurop-to island and the much-talked-about light-water reactor for North Korea, details of which remain undecided.

To effectively pursue these projects, Samsung has put together a team of 100 nuclear energy specialists to compete effectively with other more seasoned companies, including Hyundai Engineering and Construction and Daewoo Corporation.

"Indications are that the competition for contracts will become intenser with Samsung's eagerness to engage in nuclear power projects," one KEPCO official noted.

DLP, DP Fail 'To Narrow Differences' on Bill

SK1103132195 Seoul YONHAP in English 1259 GMT 11 Mar 95

[FBIS Transcribed Text] Seoul, March 11 (YONHAP)—The ruling Democratic Liberal Party (DLP) and major opposition Democratic Party (DP) attempted to break the deadlock on the proposed revision of the consolidated local election law Saturday but to no avail.

The rival parties negotiated on how to dispose of a revision bill to the election law in secretary-general and floor leaders' meetings but failed to narrow differences of view on whether or not to dispose of the amendment bill based on a bipartisan compromise.

As a result, the opposition party did not lift the "detention" of the house speaker and vice speaker Saturday. The ruling party is reconsidering unilaterally disposing of the revision bill if no compromise is reached by Monday.

Rep. Hyon Kyong-tae, DLP floor leader, in a meeting with his DP counterpart Rep. Sin Ki-ha promised "not to pass by force the consolidated local election law revision bill while bipartisan negotiation is underway."

But Rep. Sin demanded that the government party commit itself "to dispose of the revision bill based on a bipartisan compromise."

Rep. Hyon was reported to have proposed in the meeting that the political fund law be revised so as to reduce treasury subsidies to political parties, that a proportional representation system be introduced into council elections in large cities and provinces, and that an ad hoc committee be created following the June 27 local elections to discuss the rezoning of administrative areas.

The ruling party in two sessions of senior party postholders Saturday morning and afternoon confirmed its stance that no memorandum pledging disposition on compromise can be given to the opposition party in advance, and decided to push through with the revision bill early next week in the event prospects for bipartisan compromise are found dim Monday.

DLP Secretary General Rep. Kim Tok-yong said, "The opposition proposal runs counter to common sense. It is tantamount to rejection of negotiation."

The DP meanwhile decided in a meeting of party president and vice presidents to stop blocking the house speaker and vice speaker from going to the National Assembly and respond to bipartisan negotiation only if the rival floor leaders formally agree on the disposition of the amendment bill based on compromise.

'Stands Remain Poles Apart'

SK1103055895 Seoul YONHAP in English 0531 GMT 11 Mar 95

[FBIS Transcribed Text] Seoul, March 11 (YONHAP)—The ruling and opposition parties, in hot strife over the issue of an amendment to the integrated Election Law, moved Saturday [11 March] to have talks to hammer out a compromise plan.

Prospects are not bright, however, as the two parties' basic stands remain poles apart.

The ruling Democratic Liberal Party [DLP] offers to allow political parties to nominate candidates only for the elections of the mayors of small cities having more than 300,000 population each or having wards under them.

The DLP also insists that at the moment bipartisan talks begin the opposition Democratic Party [DP] should lift the "seizure" of the residences of the National Assembly speaker and vice speaker.

However, the DP rejects as "unconstitutional" the DLP's idea of allowing political parties' participation on a selective basis.

The opposition party maintains they would affirmatively study it if the ruling party proposes political parties' participation in all elections of administrative heads of local autonomy bodies while eliminating parties' role in the elections of council members of basic local bodies, namely, small cities, counties and the wards of large cities.

The DP also asserts that it would lift the "seizure" only when the ruling party publicly promises to give up any plan to railroad an Election Law amendment bill through the National Assembly.

Consequences of Police Action in Party Dispute

SK1203083095 Seoul YONHAP in English 0744 GMT 12 Mar 95

[FBIS Transcribed Text] Seoul, March 12 (YONHAP)—The political situation of the country is likely to face a danger of catastrophe following the "blitzkrieg" deployment of police forces early Sunday morning into the residences of National Assembly speaker and vice speaker who had been detained by the opposition Democratic Party (DP) members for a week.

Hundreds of riot police stormed into the residences of Speaker Hwang Nak-chu and Vice Speaker Yi Han-tong in separate operations against the opposition members who had blocked the legislative officials to attend the National Assembly.

The police action came hours after the ruling Democratic Liberal Party (DLP) and opposition DP failed to reach a bipartisan compromise over the controversial amendment bill to the integrated election law.

The DLP-initiated revision bill calls for prohibiting the political parties from nominating the candidates in the elections of the chief administrators and councilmen of the primary administrative units—counties, smaller cities and wards of larger cities.

With the dismissal of the DP lawmakers from the residences of speaker and vice speaker, the government party is most likely to unilaterally pass the revision bill through the legislature.

Political observers foresee the rival parties are likely to slug it out unless a dramatic resolution is found.

Blasting the mobilization of the law-enforcing forces, the opposition DP resolved to struggle against any DLP action to railroad the revision bill through the National Assembly.

The ruling DLP is moving to force the revision bill to pass through the legislature before Wednesday when President Kim Yong- sam, who also heads the government party, returns from Europe.

A DLP official hinted at the possibility that the government party may act on the bill Monday or Tuesday unless a compromise is reached with the opposition party.

The ruling party sticks to banning the political parties from being involved in the elections of the basic administrative units, but in a compromise gesture toward the opposition party presented an idea that would allow party-nominated candidates in the elections for the wards of six largest cities in the country including Seoul.

Meanwhile, the DLP suggested another plan to allow the political parties to nominate the candidates in the elections for those cities whose population is over 300,000 each.

However, the opposition DP refused to continue negotiations with the DLP and decided to make all-out efforts to halt the DLP's possible railroading of the revision bill.

DP President Yi Ki-taek said that the ruling party is likely to ram the bill through the National Assembly on Monday, adding that his party will concentrate its whole power to block the DLP action.

DP spokesman Pak Chi-won disclosed that most DP members agreed to stage a struggle overthrowing the incumbent government if they fail to block the ruling party's action on the amendment bill.

Three Parties Decide To Nominate Candidates

SK1303032695 Seoul YONHAP in English 0254 GMT 13 Mar 95

[FBIS Transcribed Text] Seoul, March 13 (YONHAP)—Representatives from three opposition parties—the Democratic [DP], New People's [NPP] and United Liberal Democrats—decided Monday [13 March] to push ahead with their plans to nominate candidates in the local autonomy elections for the basic administrative units even if the ruling Democratic Liberal Party (DLP) unilaterally railroaded an amendment to the integrated election law through the National Assembly.

Representatives of the three parties got together at the National Assembly restaurant to discuss a common stance against the government party's plan to revise the Election Law.

A joint statement adopted in the meeting said that the oppositionsts would employ "all available means of struggle including a boycott of National Assembly sessions" if the amendment bill was pushed through the assembly.

"We will declare it to be invalid if the amendment is railroaded through an assembly sitting convened by the DLP unilaterally," the statement said.

Participating in the gathering were DP Vice President Yu Chun- sang, acting NPP Chairman Han Yong-su and the United Liberal Democrats' Ku Cha-chun.

In the meantime, the ruling DLP decided to propose a meeting of three key post holders with the opposition DP to solve the current bipartisan clash through dialogue and negotiation.

DLP Spokesman Pak Pom-chin said that his party will formally propose the conference during a meeting between floor leaders of the rival parties on Monday.

The DLP is set to unilaterally dispose of the revision to the integrated election law before President Kim Yong-sam returns from Europe Wednesday if the opposition DP boycotts the proposal for the meeting, informed sources said.

Some DLP members, however, are reportedly insisting on its disposal after President Kim returns while continuing behind-the- scene contacts with the opposition party.

"We will discuss our action on the amendment bill after seeing the reaction for the time being," Pak told reporters. The ruling party is to hold its caucus meeting Monday afternoon to determine the party's policy on the controversial amendment bill.

In the meantime, the opposition DP is determined to block any attempt by the DLP to pass the revision bill through the National Assembly.

Most members of the opposition party foresee that the ruling party will soon take unilateral action on railroading the revision bill following the police deployment into the residences of the National Assembly Speaker Hwang Nak-chu and Vice Speaker Yi Han-tong early Sunday morning.

The opposition party convened its caucus meeting Monday morning at the National Assembly and decided to enter into an "alert" footing within the National Assembly building to deter the possible blitzkrieg attempt of the ruling party on the controversial bill.

DLP, DP Compromise To 'Normalize' Assembly

SK1403082195 Seoul YONHAP in English 0811 GMT 14 Mar 95

[FBIS Transcribed Text] Seoul, March 14 (YONHAP)—The ruling and main opposition parties reached a compromise during political negotiations over the ruling party's move to amend the integrated election law in a dramatic turnaround from a month-long political standoff.

Accordingly, tension between the ruling Democratic Liberal Party [DLP] and the main opposition Democratic Party [DP] subsided, a month after the DLP openly called for the restructuring of the administrative units on Feb. 14.

The operation of the National Assembly will certainly normalize starting from Wednesday.

The agreement states that the law can be revised in such a way that allows political parties to nominate candidates for the elective posts of chiefs of basic administrative units but bans such nomination for local councilmen of the units.

The agreement came during a floor leaders' meeting between Rep. Hyon Kyong-tae of the DLP and Rep. Sin Ki-ha of the DP held in the chairman's room of the National Assembly Steering Committee.

The floor leaders agreed to increase by 10 percent the total number of local councilmen in provinces and large cities, 866 under the current law, by electing the additional members under the proportional representation system.

They also decided to organize a special parliamentary committee tasked with revamping the administrative districts, but left the detailed methods of its organization to be discussed after July.

Earlier in the day the secretaries-general of both parties agreed in principle to revise the integrated election law during a meeting at a Yoido hotel.

Rep. Kim Tok-yong of the DLP and Rep. Choe Nak-to of the DP agreed to reduce the state subsidy for political parties as they are not allowed to nominate candidates in the elections for councilmen of the primary autonomous units.

Under the agreement, candidates nominated by the political parties will be able to run for the posts of chief administrators in the basic autonomous units.

The 236 posts of the administrative heads will be elected from 103 counties, 69 smaller cities and 65 wards of large cities, including Seoul.

A DLP official said the agreed amendment bill will be passed by the National Assembly plenary session Wednesday morning.

Rainfall 'Not Enough' for Drought-Stricken Areas

SK1003012195 Seoul YONHAP in English 0045 GMT 10 Mar 95

[FBIS Transcribed Text] Seoul, March 10 (YONHAP)—The much-awaited rain soaked farmland across the country Thursday through Friday, though the precipitation was not enough to fill the dried-up reservoirs in several drought-stricken areas.

Weathermen said the rain began falling in the southwestern area of the country Thursday morning, as the country came under the influence of a low pressure trough approaching from China.

It will continue falling throughout the country until Friday afternoon, registering rainfalls of 40 to 100 millimeters in Cheju, 30 to 60 millimeters in the southern area and 10 to 20 millimeters in the central area, they forecast.

Precipitations at 8 AM Friday were 84.6mm in Sogwipo, 52.6mm in Wando, 36.5mm in Kohung, 43.3mm in Pusan, 39mm in Koje, 34.5mm in Sanchong, 33mm in Namhae, 30.2mm in Yosu, 31.8mm in Masan, 20mm in Taegu, 16mm in Andong, 38mm in Ulsan, 28.9mm in Chinju, 12.8mm in Kwangju, 8mm in Kunsan, 12.6mm in Taejon, 17.8mm in Seoul and 10mm in Wonju.

The rainfall was not enough to wet all the drought-stricken farmland, particularly in the southern part of the country, though it was of help to farmers preparing dry farming, weathermen said.

Burma

'Sources': SLORC Attacked Thai Troops

BK1403041295 Oslo Democratic Voice of Burma in Burmese 1430 GMT 12 Mar 95

[FBIS Translated Text] According to student army sources, a unit from the Thai Army's 35th (?Regiment) was attacked by the SLORC [State Law and Order Restoration Council] forces on 10 March during a patrol near (Hkepang) along the Salween River. Ba Maung Tin, correspondent of the Democratic Voice of Burma, reported from a place along the Thai-Burma border.

According to the report coming from the student army, Thai Government forces came under attack from SLORC forces at a place located 20 kilometers north of Daunggwin and the troops involved from the SLORC Army were from the 4th Regiment of the 33d Division under the No. 1 Tactical Operation Bureau.

The eyewitness accounts say that although no casualties have been reported, many 60-mm mortars fired by the SLORC forces landed on the Thai side. The Thai side had so far not commented in reaction to the attack.

Despite the increased presence of Thai troops along the border, the DKBO [Democratic Karen Buddhist Organization] and SLORC troops have stepped inside the Thai territory and the SLORC eventually started to aggravate and attack the Thai Army. Observers are wondering if the Thai Government, which is under pressure from Thai businessmen to urge the SLORC to reopen Myawadi-Mae Sot border trade route before the Water Festival period, is ignoring the lawless and unrestrained actions of the DKBO and the SLORC at the border regions in order to avoid SLORC displeasure.

Meanwhile, if the Thai Government continues to silently tolerate the SLORC's attacks on Thai troops, some are casting doubt on the declared intention of the Thai Government to mediate the Burmese political problem.

Clashes With KNU Reported Along Thai Border

BK1403025495 Bangkok THE NATION in English 13 Mar 95 p A7

[Report by Somchit Rungchamratratsami and Yindi Loetcharoenchok]

[FBIS Transcribed Text] Kanele, Burma—Two Burmese troopers were killed and one wounded during two minor clashes early yesterday with Karen guerrilla forces patrolling the border area opposite Thailand's Phop Phra district of Tak province.

The clashes, though small, have provoked fear of the resumption of Burmese military offensives against the Karen National Union (KNU), which recently lost its Manerplaw headquarters and another strategic northern stronghold to the Burmese army. Thai border forces were placed on alert after the incidents, which took place at 8 am and 9 pm about five kilometres from the Thai-Burmese border and opposite the Thai village of Ban Wale Tai.

Thai border sources said each clash between one company of about 80 Burmese soldiers and KNU forces lasted about 3-4 minutes only, but resulted in two Burmese killed and one wounded. There was no report of casualties on the guerrillas' side.

The sources said some Thai and Karen villagers, working at a saw mill in the area, fled into Thailand after the clashes, carrying with them wood processing equipment and some processed wood.

KNU and Thai sources said they could not confirm if the movement of Burmese troops in the area was part of the Burmese army's preparation for another major military strike against KNU bases located south of Myawadi, a Burmese border town.

KNU leader Gen [General] Bo Mya told The Nation in an interview on Saturday that he believed the closure of Myawadi to cross-border transportation from Thailand's Mae Sot district and the cutting of communications links with the same area, was probably to facilitate the transportation of Burmese army reinforcements and military hardware to the town.

He said he is uncertain if the reinforcements are meant to provide extra security protection for Myawadi, or to strengthen or reinforce the Burmese forces for another attack against the KNU 6th Brigade area located south of Myawadi.

"I think they closed Myawadi because they don't want villagers and passers-by to notice the movement and reinforcement of Burmese forces to the area," he said.

Senior KNU officers said they have intelligence reports of about 100 trucks loaded with fresh troops and a large quantity of arms and ammunition sent from Pa-an to Thingannyinaung and Myawadi.

"We don't know where these troops and military hardware are destined for and whether they are meant to attack us," said one KNU officer.

Without prior official warning, Burmese authorities in Myawadi announced on March 5 that they would temporarily close the border beginning the next day. No reasons were given, nor was the expected duration of closure announced.

Commander of Task Force 34 in Mae Sot Col [Colonel] Direk Yaem- ngamriap said earlier that he did not know the real reasons behind the Burmese move.

Thai border sources suspected that the Burmese authorities were upset with Direk's decision to retaliate with force against any territorial incursions by armed Burmese troops and breakaway forces of former KNU members. Intruders have been illegally crossing the Moei River into refugee camps to kidnap and harass Karen refugees and KNU leaders.

'Aging' KNU Leaders Said Ready To Step Aside

BK1403045895 Bangkok THE NATION in English 13 Mar 95 p A7

[Report by Yindi Lertcharoenchok]

[FBIS Transcribed Text] Kanehlay, Burma—Several Karen guerrilla leaders will retire or step aside to make way for younger people when the Karen National Union (KNU) holds its upcoming congress to decide the future of the 46-year-old movement.

The ethnic group also intends to establish an advisory board and will ask several aging leaders, with extensive political and military experience, to help guide and lead the KNU through the difficult period following the recent loss of two strategic strongholds in the North to the Burmese army.

Although the KNU has not yet released the names of leaders who will step down after the next congress, it is believed that the majority of the outgoing leaders are retiring for reasons of health or advanced age.

KNU leader Gen Bo Mya has rejected as "pure rumour," recent press reports carrying the names of KNU leaders they say will be asked to resign from their current positions. The 68-year-old guerrilla leader denied he had any ambitions to hang on to his presidency but said that even if he has to retire, he "will carry on the fight against the enemy".

There has been much speculation over the past few months there would be a change in the KNU leadership after the movement suffered a severe political and military setback when the Burmese army resumed an all-out offensive in early December in an attempt to crush the armed group.

In an interview over the weekend with THE NATION, Gen Bo Mya conceded that there would be a change in the Karen leadership once the KNU holds its 11th congress "in the very near future".

"The new leaders will be elected when the KNU holds its congress in the very near future ... those who are too old and who are no longer able to work will retire and let younger people take over their places. Several leaders have expressed a desire to retire but I don't want to reveal their names. There are three or four people involved," he said.

Bo Mya, who also commands the KNU forces, would not reveal whether he was one of those intending to retire, but said "even if I have to retire, I will still carry on the fight against the enemy."

The KNU, he said, intends to set up an advisory board on which older leaders will be asked to serve as political and military advisers to the next generation of Karen fighters who will emerge after the forthcoming elections.

In a separate interview, Padoh Mansha, Bo Mya's personal secretary, said the KNU congress usually elects a new 45member central committee and new administrative and military leaders.

The congress is held every four years and is attended by hundreds of political and military representatives from the district level right down to townships and villages.

At the moment some 40 top KNU leaders are holding an emergency summit at temporary headquarters set up at Kanehlay, opposite Phop Phra district in Tak province, to discuss, review and assess military and political policy after the KNU was driven out of its strongholds at Manerplaw and Kawmoora by the Burmese army offensive.

"Over the past week, we have been discussing and studying our experiences and reviewing our military and political policies. We also analysed the (current) situation," Mansha said.

He described the meeting, which continues this week, as "the most frank and open" discussion ever and said participants have helped identify "mistakes and weak points (in the movement) which need to be corrected".

KNU General Secretary Padoh Ba Thin said the group will make "amendments and new arrangements wherever necessary in order to carry on the revolution" and that those attending the meeting "don't have many differences in their views and opinions" about the organizational, military, political and leadership problems confronting the KNU.

According to Bo Mya, part of the ninepoint agenda has already been dealt with and discussions will continue this week on plans for the future of the KNU.

"Our military and political policies are good. The problem lies with implementation. We have not implemented them accordingly and fully," he said.

According to Ba Thin, the KNU adopted the idea of using guerrilla warfare tactics right from its inception but this strategy has not been fully implemented.

"We've been using 'dead position warfare' tactics, defending static strongholds. This strategy gives the enemy a lot of advantage since it's so easy for them pinpoint our location and attack us. If we implemented guerrilla warfare tactics effectively, it would raise the morale of our troops and reduce casualties. We must admit that we have made mistakes with that," Ba Thin said.

On the political front, Ba Thin said the KNU needs to carry out a "good popular campaign" to increase support among the local population, make the Karen people understand the KNU's political aims and objectives and "the real intention" of the Burmese junta towards the ethnic Karen populace.

Than Shwe, Delegation Return From SRV

BK1403035995 Rangoon Radio Myanmar in Burmese 0630 GMT 13 Mar 95

[FBIS Translated Text] Senior General Than Shwe, chairman of the State Law and Order Restoration Council [SLORC] and prime minister of the Union of Myanmar [Burma], his wife Daw Kyaing Kyaing, and delegation arrived back in Yangon [Rangoon] this morning on a special plane after paying a goodwill visit to the Socialist Republic of Vietnam at the invitation of Mr. Vo Van Kiet, prime minister of the SRV.

SLORC Chairman and Prime Minister Sr. Gen. Than Shwe and his wife, Daw Kyaing Kyaing, were accompanied by Lieutenant General Khin Nyunt, SLORC secretary-1, and his wife, Dr. Daw Khin Win Shwe; Lt. Gen. Chit Shwe, minister of forests; Lt. Gen. Thein Win, minister of transport and commander in chief of the Air Force; Major General Soe Myint, member of the SLORC; Brigadier General Abel, minister of national planning and economic development; U Ohn Gyaw, foreign minister, and his wife, Daw Khin Kyi; and responsible officials from the Office of the SLORC, the Ministry of Defense, and the Ministry of Foreign Affairs.

Sr. Gen. Than Shwe and his wife, Daw Kyaing Kyaing, and party were welcomed at Yangon airport by General Maung Aye, deputy chairman of the SLORC; Vice Admiral Maung Maung Khin and Lt. Gen. Tin Tun, deputy prime ministers and members of the SLORC; Lt. Gen. Tin U, secretary-2 of the SLORC; members of the SLORC and cabinet ministers; deputy minister of foreign affairs; senior military officials and their wives; military and civilian officials; ambassadors led by the acting dean of the Diplomatic Corps and the charges d'affaires and their wives; and Mr. (Tran Trong Hue), Vietnamese charge d'affaires and his wife.

Brunei, Malaysia & Singapore

Malaysia

Bank To Continue Foreign Exchange Intervention

BK1403061995 Kuala Lumpur BERITA HARIAN in Malay 11 Mar 95 p 15

[FBIS Translated Excerpt] The Bank Negara [central bank] is expected to continue to intervene in the foreign exchange market over the next several weeks to strengthen the ringgit. The Bank Negara has adopted this policy to deal with the current turmoil of the U.S. dollar.

To support the ringgit, it is necessary for Bank Negara to adopt this policy in a continuation of its short-term participation in the Kuala Lumpur Inter-Bank Offered Rates (KLIBOR) trading several days ago.

Money market dealers said Bank Negara intervention is expected to be continuous, the way it was over the past few days, because there is an early indication that liquidity will increase next week.

"At the same time, Bank Negara is focussing its financial supervisory mechanism on the monetary policy," a dealer said in Kuala Lumpur yesterday.

The dealer said that the move signalled Bank Negara's sense of urgency about holding up local rates to prevent excess liquidity in the monetary system.

In the past two days, Bank Negara had issued several tenders to intervene in the KLIBOR's one-month and two-month rates.

Another dealer in Kuala Lumpur said Bank Negara intervened in the three-month interbank deposit rates yesterday, but it was difficult to forecast its involvement in longer term rates.

"Bank Negara is expected to continue to intervene in the foreign exchange market, however, because there are many guidelines that will be effective in two week that are expected to increase liquidity," he said.

Besides, he said, there is no sign at the money market that the ringgit will strengthen. Rather, it will remain weak against the falling U.S. dollar. [passage omitted]

Government Steps Up Efforts To Curb Inflation

BK1403061595 Kuala Lumpur THE STAR in English 13 Mar 95 p 5

[FBIS Transcribed Text] The Government is stepping up efforts to keep the inflation rate, which stood at 3.2 per cent in January this year, low.

Deputy Finance Minister Datuk Mustapa Mohamed said the Government would ensure that inflation be kept low throughout the year, compared with the average of 3.7 per cent recorded last year.

As such, food prices had to be stabilised as the rise in food prices contributed about 50 per cent to the rise in the Consumer Price Index, he added.

Nevertheless, despite the recent revision on the Fund for Food (3F) scheme to help increase food production in the country, the response was still slow, he said.

For example, only 120 loans for [Malaysian ringgit] RM65.1 million were approved as at the end of last month, he added.

"Bank Negara [Central Bank] now studying ways to liberalise the scheme further to ensure that more food producers benefit from it," he said after launching a Management Development Programme for entrepreneurs in Kuala Lumpur on Saturday.

He added that this was one of the more important measures to stabilise food prices in the country.

The 3F Scheme, which was established early last year, has allocated RM300 million to support government effort to promote movement in primary food production and distribution.

Under the revised scheme, effective January: this year, borrowers who were previously charged a maximum lending rate of 7.75 per cent are now charged 4 per cent.

The funding rate was also revised downward to one per cent a year from 3.75 per cent while the tenure of the revised scheme has been extended up to eight years.

Mustapa said the Government was satisfied with the performance of the hawkers and petty traders scheme which now had more than 30,000 borrowers.

A total of RM101.3 million in loans was approved at the end of last month from the total fund allocation of RM120 million.

Mustapa also called on banks to be more aggressive in promoting the 3F and petty traders scheme to ensure the success of both schemes.

He said the banks still lacked in marketing and sales to promote the scheme effectively especially to farmers.

"Inadequate publicity could be one reason why the applications under the 3F scheme was slow," he said, adding that some banks still showed little interest to provide loans below RM1O,000.

Meanwhile, the two-day workshop was the first of six modules in the series Effective Management workshop, organised by the National Association of Women Entrepreneurs of Malaysia (Nawem).

In his speech, Mustapa said women entrepreneurs had great potential to excel in non-traditional sectors.

He said sales and marketing skills, which most women possessed, would help them penetrate new areas and market in business.

"The cake is big enough for everybody," Mustapa said, adding that women however must be more aggressive in their marketing and sales to grab the opportunity.

MCA Praises Decision on Chinese Chief Minister

BK1403044595 Kuala Lumpur THE STAR in English 13 Mar 95 p 2

[FBIS Transcribed Text] Butterworth: The MCA [Malaysian Chinese Association] has welcomed the Government's stand to maintain a Chinese Chief Minister in Penang although UMNO [United Malays National Organization] holds the majority of seats in the State.

Party President Datuk Sri Dr Ling Liong Sik said yesterday Deputy Prime Minister Datuk Sri Anwar Ibrahim had "nailed the lie" which the DAP [Democratic Action Party] has used to deceive Penangites.

He said the DAP had claimed that if the people voted for the Barisan Nasional [National Front], the Malay majority (in Barisan) might take the Chief Minister's post.

Dr Ling, who is also Transport Minister, was speaking to reporters after the launching of the Kenwood Three-on-Three National Basketball Championship by Anwar here.

On Saturday, Anwar had announced that the Government would maintain a Chinese Chief Minister in Penang in view of the large Chinese population here.

Dr Ling said the Government's stand reflected the Barisan's philosophy to share power and to sacrifice for the larger good.

"Even in Kelantan and Terengganu where there is no Chinese majority seat, we have been given one each because of this spirit of sharing and sacrifice.

"It makes the Chinese in these states have a sense of participation and belonging," he said.

Indonesia

Official on 'Discriminatory' EU Trade Policy

BK1403044895 Jakarta ANTARA in Indonesia 1026 GMT 13 Mar 95

[FBIS Translated Text] Jakarta, 13 Mar (ANTARA)—Indonesia is concerned about the discriminatory trade policy of the EU as a main export market although the treatment has yet to be felt.

According Hatanto Reksodiputro, director for foreign trade relations of the Department of Trade, the discriminatory policy includes zero percent import duties for agricultural and fishery products from several Latin American countries which belong to the Andean Group.

Speaking to reporters following a meeting between Trade Minister S.B. Yudono and Netherlands Foreign Trade Minister Anneke van Dok, he said that the special treatment for fishery products, coffee, tea, and other agricultural products from several Latin American countries is expected to motivate people there to abandon narcotic drugs.

Indonesia, Hatanto said, considers the special treatment discriminatory because Indonesia also adopts an anti-narcotic drug policy.

"Thus, Indonesia, which has been successful in the anti-narcotic drug program, should not be put in a disadvantageous position. Indonesia continues to approach each EU member bilaterally to cope with the discriminatory policy," he said.

The minister of trade of the Republic of Indonesia, Hatanto said, has also expressed his concern over the expansion of EU membership because new import duties in several new members such as Sweden, Finland, and

Austria, which were earlier lower than those in the EU, have been increased and are now equal with those in the EU.

The two trade ministers also discussed the enhancement of trade between Indonesia and the Netherlands mainly in view of the Netherlands' role as a main gateway for Indonesia's nonoil and nongas products to the EU.

They also discussed Indonesia's economic deregulation policy, a faster implementation of the ASEAN Free Trade Area [AFTA], and the expansion of the list of products under the AFTA scheme.

Based on data at the Central Bureau of Statistics, Indonesia's nonoil and nongas exports to the Netherlands during the January- November 1994 period reached $1.2 billion or increased by 20.4 percent compared to the same period in the previous year.

On the reverse side, Indonesia's imports from that country during the January-November 1994 period reached U.S. $474.3 million or decreased by 10.58 percent compared to the same period in 1993. Thus, Indonesia enjoyed a surplus of $706.9 million.

Indonesia's main export products include oil and vegetable fats, wood, garment, coffee, tea, cacao, spices, coal, weaving thread, textile, telecomunications equipment, shoes, furniture, natural rubber, cattle food, and organic chemicals.

Indonesia imports from the Netherlands metal ores, scrapped metals, organic chemicals, communication equipment, metal products, and industrial machines and their parts.

Ministers on Impact of Strong Yen, Weak Dollar

BK1003144295 Jakarta KOMPAS in Indonesian 9 Mar 95 p 1

[FBIS Translated Excerpt] Jakarta, KOMPAS—Indonesia must try harder to reduce its imports from Japan to cope with the recent appreciation in the Japanese yen. This is especially true in view of the fact that the bulk of Indonesia's overseas debts are in yen and the trend will certainly affect the country's macroeconomy, Trade Minister S.B. Yudono told KOMPAS in Jakarta on Wednesday (8 March).

Speaking on a separate occasion, Industries Minister Tunky Ariwibowo said it is hard for Indonesia to curb its imports from Japan because we need capital goods and raw materials and we still must buy them from overseas. "What we need to do is accelerate investment in projects that produce automotive components, as the Texmaco company is now doing. This will reduce Indonesia's dependence on imported automotive components, especially those from Japan whose price is increasing steadily," he said. Minister Tunky said the depreciation of the U.S. dollar against the Japanese yen and German mark will certainly affect Indonesia's economy. [passage omitted]

Trade Minister Yudono said the U.S. dollar's depreciation is like a two-edged sword for Indonesia. On the one hand, Indonesia will gain by its exports to Japan becoming cheaper. Indonesian goods will gain a wider market in Japan. In terms of repaying its yen debts, though, Indonesia will have a heavier burden. "We must calculate these two aspects carefully and decide which is more profitable for us," he said. [passage omitted]

Region Expects Greater Japanese Investment

BK1103153195 Jakarta REPUBLIKA in Indonesian 10 Mar 95 p 3

[Passages in italics published in English]

[FBIS Translated Text] Jakarta—The yen's appreciation against the U.S. dollar is expected to increase Japanese investment in ASEAN countries, including Indonesia. Japanese entrepreneurs will no longer be able to invest in their own country, and they will be very likely to relocate their industries to other more competitive countries.

Sanyoto Sastrowardoyo, minister of state for the mobilization of investment and chairman of the Investment Coordinating Board, and Iman Taufik, chairman of the Indonesian Chamber of Commerce and Industry, said this to REPUBLIKA on separate occasions in Jakarta on Thursday [9 March].

According to Sanyoto, the yen's rise will drive Japanese entrepreneurs to other countries. "They will surely look for more competitive places. There will be a large-scale relocation of industries," Sanyoto said.

Otherwise, Sanyoto said the Japanese producers will be unable to stay on course and compete with other producers. Their products will become expensive.

Meanwhile, Iman Taufik firmly stated that the strengthening of the yen will prompt Japanese entrepreneurs to rush to Indonesia. "The flow of Japanese investment to Indonesia will become faster," said the boss of the P.T. [Company Limited] Guna Nusa Group.

As an example, Iman cited Aiwa, a Japanese electronics producer which has relocated its plants to a number of ASEAN countries, including Indonesia over the past few years.

Currently, about 90 percent of Aiwa products are manufactured in ASEAN countries. This means that only about the remaining 10 percent are manufactured in the country of origin. Due to the worsening situation as a consequence of the yen's appreciation, Aiwa will continue to relocate its plants outside Japan.

Sanyoto was unable to say precisely that the yen's appreciation will further increase Japanese investment in Indonesia. "We hope so," he said. The fact is that Japan has become the largest investor in Indonesia.

Data at the Investment Coordinating Board indicate that Japanese investment in Indonesia reached U.S. $18.6

billion or about 38 trillion rupiah covering 720 projects from 1967 to December 1994.

Husein Aminudin, *vice president for trade relations* of the Indonesian Chamber of Commerce and Industry, admitted that the dollar's depreciation against the yen has created a difficult situation for Indonesian entrepreneurs. On the one hand, imported goods from Japan will become more expensive. On the other hand, Indonesia will have a greater opportunity to export its goods to Japan.

Japan will be able to get more goods with the same amount of yen. "We are, however, concerned about the situation. This will certainly affect Indonesia's economy," he said.

Import Reduction

Meanwhile, Trade Minister S.B. Yudono's suggestion that imports from Japan be reduced due to the dollar's fall is not fully acceptable. The opinion was offered by Dr. Fritz Kleinsteuber, executive director of the Indonesian-German Economic Association, in reply to questions from reporters at the end of the *Workshop on Marketing and Distribution in Germany* organized by Eurogate Hamburg at the Shangri-La Hotel yesterday.

According to Kleinsteuber, the import reduction measure will in fact save the foreign exchange reserves as goods imported from Japan are becoming expensive. However, the measure can apply to only consumer goods. "The importation of manufacturing-related goods is virtually inevitable," Kleinsteuber stated.

As reported by a national newspaper yesterday, the trade minister suggested that Indonesian entrepreneurs reduce the importation of Japanese goods. Yudono said that the dollar's depreciation against the yen would make Japanese goods more expensive.

Commander Briefs Envoy on Troops in East Timor

BK1003165195 Jakarta Radio Republik Indonesia Network in Indonesian 0700 GMT 10 Mar 95

[FBIS Translated Text] The presence of ABRI [Armed Forces of the Republic of Indonesia] personnel in East Timor is aimed not only at maintaining security but also assisting the local government in enhancing public welfare. Speaking in Dili, Colonel Syahnakri, commander of the Wiradharma 164th Military Area Command, said ABRI wants to extend its assistance and enhance public welfare in the area, still considered backward due to the long occupation by the Portuguese colonialists.

The commander made the remarks when he received a courtesy call from (Zenji Kaminaga), Japanese deputy chief of mission in Indonesia, who asked him about the deployment of eight ABRI battalions in East Timor. Col. Syahnakri said seven of the eight battalions are in charge of territorial operations and only one battalion is used to combat remnants of the GPK [security disturbance movement]. ABRI personnel in charge of territorial operations and local government personnel are directly involved in development programs such as agriculture, fishery, counselling, public health services, and education.

Replying to a question by (Zenji Kaminaga), the commander said GPK members tend to operate more in the eastern part of East Timor; namely, in Lautem, Baucau, and Vikeke under the leadership of (Redak). Along the borders of Maliana, Liquica, and Ermera Districts, GPK groups are led by (Antonio Alvez), (Ernesto), and (Konis Santana), who have moved from Ainaro District.

Col. Syahnakri said the most serious problem faced by the youngest Indonesian province is the poor education level of the local people, who find it hard to compete with newcomers from other provinces. The overall income of the province in 1994 stood at 5 billion rupiah, while neighboring Asam Dua District in East Nusatenggara Province earned 6 billion rupiah during the same period.

Army Chief Hartono Discusses Liquica Case

Admits Procedural 'Deviations'

BK1003132595 Jakarta SUARA KARYA in Indonesian 10 Mar 95 pp 1, 10

[FBIS Translated Text] Jakarta (SUARA KARYA)—Based on the provisional results of a probe by a team from the Honorary Council of Officers, there are indications that security forces deviated from operational procedures during an incident in Liquica, East Timor some time ago. If the probe indications turn out to be true, the guilty members of the ABRI [Armed Forces of the Republic of Indonesia], including duty officers will likely be brought to trial before a military tribunal.

"Indeed, a provisional report from the Honorary Council of Officers that I received on Wednesday or yesterday indicated deviations from the military's operational procedures. However, the nature of the deviations and who were guilty remain unclear. I am still investigating the matter," Army Chief of Staff General Hartono told reporters on Thursday during a function commemorating the 34th anniversary of the founding of the Army Strategic Command in Cidodong, Bogor.

He said that a small team from the council of officers left for Dili on Thursday to complete the probe. Another team arrived earlier on Wednesday. The latest team is made up of seven officers led by a colonel. He said the council is divided into three small teams, but did not explain the functions of each team.

Hartono said a more complete report from the council is likely to come on Thursday or Friday. "In short, I have asked the council to immediately send me whatever has been found although it may be unprocessed material," he said. He himself wanted the council to complete its task by the end of March at the earliest.

Hartono said that there would be no differences between the council's initial and final findings. "I believe that the indications were true and there were in fact deviations during the operation conducted by military personnel there," he said.

According to Gen. Hartono, the council will do whatever is necessary to truly expose the incident. "Thus, the validity of reports to me as Army chief of staff or to the armed forces commander can be guaranteed," Hartono said. He added that the bodies of the victims could be exhumed if the council deems it necessary.

When asked about the deviations from the military operational procedures, the former commander of the Brawijaya Military Region said ABRI has standard procedures in a combat operation. "Each personnel or unit must use standard military procedure although that will depend on the situation and the necessary tactical condition," he said. Thus, the council will check whether the security forces acted in accordance with standard procedure during the Liquica incident, he said.

Hartono noted the existence of a psychological condition that led to the deviations from military operational procedures by ABRI personnel. "We must try to understand their psychological condition. They had been on duty there for a long time. Moreover, Liquica District had been safe," he said.

Hartono did not rule out the possibility of the council's final findings being referred to a military tribunal. "That is possible, but it will depend on the level and nature of the offense committed by ABRI members. A trial before a military tribunal will be the strongest measure or else they may be simply disciplined by their superiors," said the army chief of staff.

Hartono stated that there are no wrong soldiers in the ABRI. "There are no wrong soldiers in the ABRI, but the wrongdoers are officers," he said firmly. Accordingly, it is possible that some officers will be brought before a military tribunal.

He, however, avoided a question on whether the commander of the Udayana Military Region will be investigated and face possible sanctions. "We have not reached that stage yet. Just wait for the council's investigation," he said.

Hartono said that the finding of the National Commission on Human Rights [NCHR] could be different from that of the council. According to him, the NCHR investigated whether or not there were violations of human rights. "The council is checking whether or not there were errors in the military's operational procedures," he added. However, the council will use the recent finding of the NCHR as a reference for the field investigation. Whatever, the final finding of the council will not lead to a change in the military policy in East Timor and the number of military personnel there will not be reduced or increased, he said. "The number of military personnel will depend on the situation there. The ABRI hopes to reduce the number of personnel in East Timor because the region is becoming safer. We will continue to step up territorial operations," Hartono said.

He said ABRI itself consistently evaluates its policy in East Timor. "For example, we have changed our policy and turned the Operational Command into a precinct-level military unit. There were 30 battalions in East Timor, but only seven battalions remain. We hope that the number will be gradually reduced," he stated.

Promises 'Stern Action'

BK1203094695 Jakarta ANTARA in Indonesian 1719 GMT 11 Mar 95

[FBIS Translated Text] Surabaya, 11 Mar (ANTARA)—Army Chief of Staff General R. Hartono has said that the army will take stern action against security personnel who were involved in the 12 January incident in Liquica, East Timor.

"We will take stern action against security personnel who committed procedural mistakes in the incident, but we cannot reveal their names now," he told reporters in Surabaya on Saturday.

Speaking after attending the handing over of the post of the commander of the 5th Brawijaya Military Region from Maj. Gen. Haris Sudono to Maj. Gen Imam Utomo, the army chief of staff confirmed that the army received on Friday a report from the Honorary Council of Officers on the procedural mistakes committed by security personnel in Liquica.

He added that the army could not reveal the names of those who committed the mistakes or say what sort of action would be taken.

The army chief of staff said the report is a preliminary one and a complete one will be received by the end of March 1995.

Official Denies Arrest of Portuguese Journalist

OW1403061195 Tokyo KYODO in English 0547 GMT 14 Mar 95

[FBIS Transcribed Text] Jakarta, March 14 KYODO—The Indonesian Government said Tuesday [14 March] it has expelled a Portuguese journalist for entering Indonesia illegally by using a fake passport.

Irawan Abidin, a Foreign Ministry spokesman, told KYODO NEWS SERVICE by telephone that Joao Gabriel, who works for the Portuguese independent television station TVI, was expelled Sunday night, about one hour after his arrival.

"So, we never detained him as reported," said Irawan, denying some foreign media reports.

According to Irawan, Gabriel arrived at Sukarno-Hatta Airport in Jakarta at around 10 P.M. Sunday on a Garuda Indonesia flight from Madrid.

"He was expelled at 11:15 P.M. on a flight of Garuda Indonesia to Singapore, because he could not show his real identity to the immigration officers at the airport," he said.

Besides, Irawan said, Gabriel had also used the Spanish passport of his brother, a Spanish national, for entering Indonesia.

Portuguese radio reported Sunday that Indonesian authorities had arrested Gabriel in Dili, capital of East Timor.

According to the radio, Gabriel telephoned his brother in Lisbon asking for help, but he did not reveal his whereabouts.

Since an incident in the Liquica region of East Timor in January, in which six villagers were killed by the Indonesian military, Indonesia has limited visits by foreign journalists to East Timor.

Indonesia invaded East Timor in 1975 after its colonial ruler Portugal left. Indonesia annexed it the following year, claiming the region as its 27th province.

The United Nations, however, does not recognize the annexation.

Minister Urges Patience on Deregulation Results

BK1103084795 Jakarta REPUBLIKA in Indonesian 9 Mar 95 p 1

[FBIS Translated Text] Jakarta—Sanyoto Sastrowardoyo, minister of state for the mobilization of investment and chairman of the Investment Coordinating Board, has said that the impact of the deregulation policy cannot be observed within a brief period. Besides, Sanyoto said: "We cannot fulfill all their hopes. We have our national interests to protect."

Sanyoto said this in reply to REPUBLIKA's questions on comments about the government-launched deregulation packages. The three economic observers—Mari Pangestu, Christianto Wibisono, and Faisal Basri—said the packages were not yet effective.

Besides failing to address the basic issues as expected by foreign investors, the deregulation packages have not been well implemented. The observers hoped the government would pursue the policy more cautiously and properly to ensure its advantage and legal assurance for investors.

Concerning the matter, Sanyoto said the government has been cautious enough. Before issuing the policy, the government had first studied all the possible effects. Different inputs were obtained from business circles, including foreign investors. The government subsequently decided to pursue the policy on the basis of all these factors.

Sanyoto said the policy might not be 100 percent successful. However, it is just a matter of time. "We need time to observe the impact of a new policy. The outcome cannot be seen within a brief period," he said.

He, however, reminded us that the positive impact of the deregulation packages is already visible. As evidence, he noted a growing number of investment agreements between Indonesia and other countries. According to Sanyoto, foreign investment agreements last year, which covered 449 projects and a total value of U.S. $23.7 billion, were a record high. He added that investment agreements totaled U.S. $10.3 billion during the January-February period. "This is enough to prove that the investment climate in Indonesia is becoming more favorable."

According to the chairman of the Investment Coordinating Board, the provision that foreign investors in Indonesia must export their products is no longer in effect. The government, Sanyoto said, has given investors freedom to market their products at home or abroad. There is no longer such a restriction," he said.

The problem was earlier highlighted by Faisal Basri, an economic observer from the Institute for Economic and Monetary Studies of the University of Indonesia. According to Faisal, foreign investors have complained because they are obliged to export their products, whereas their reason for investing in Indonesia is the country's potential of becoming a great market.

In response to the criticism that local government officials are not well informed about the deregulation packages, Sanyoto said his office continues to hold refresher courses to ensure that the deregulation packages will proceed as expected. "We have anticipated the matter by holding refresher courses on a continuous basis," Sanyoto said.

Laos

CPC Inspection Board Group Begins 7-Day Visit

Schedule Outlined

BK1103164495 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 10 Mar 95

[FBIS Translated Text] A delegation of the Central Discipline Inspection Commission from the CPC Central Committee led by Chen Zuolin, its deputy secretary and member, arrived in Vientiane at noon yesterday for a seven-day visit at an invitation of the Central Control Commission of the Lao People's Revolutionary Party [LPRP] Central Committee.

During the visit, the delegation is scheduled to pay courtesy calls on our high-level Lao leaders. It will meet and exchange experiences with a delegation of the Central Control Commission of the LPRP Central Committee and hold a working meeting with party secretaries and control boards of certain provinces. It is also scheduled to visit some economic and cultural establishments in Vientiane municipality and Savannakhet Province.

LPRP Counterparts Host Meeting

BK1103153395 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 11 Mar 95

[FBIS Translated Text] A meeting to exchange experiences between a delegation of the Central Control Commission of the Lao People's Revolutionary Party [LPRP] Central Committee and a delegation of the Central Discipline Inspection Commission of the CPC Central Committee was held at Vang Sadet Guest Hall in Vientiane capital yesterday morning. The Lao delegation was headed by Khamman Sounvileut, member of the LPRP Central Committee and deputy chief of the Central Control Commission of the Party Central Committee, as the Chinese side was headed by Chen Zoulin, deputy secretary and member of the Central Discipline Inspection Commission of the CPC Central Committee. Also attending were cadres concerned from both sides.

Li Jiazhong, ambassador extraordinary and plenipotentiary of the PRC to Laos, also attended the meeting.

At the meeting, in addition to informing each other of the general socioeconomic development situation in their respective countries, the two sides discussed and exchanged experiences on the implementation of the party control and inspection work and specific tasks which are aimed at opposing and preventing corruption. They jointly discussed legal and disciplinary measures to take action against wrongdoers or those who engage in corrupt practices. The two sides also discussed forms and methods of checking the corrupt practices. The two delegations also exchanged views on plans for cooperation in the immediate future.

Defense Minister Leaves for Visit to Cambodia

BK1403070495 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 13 Mar 95

[FBIS Translated Text] A high-level Lao military delegation, headed by Lieutenant General [Lt. Gen.] Choummali Sai-gnason, national defense minister, left Vientiane this morning for a four-day friendship visit to the Kingdom of Cambodia at the invitation of the National Defense Ministry of the Kingdom of Cambodia.

During its visit, the delegation is scheduled to pay courtesy calls on King Norodom Sihanouk Varaman and the deputy prime minister [as heard] and to hold talks with the national defense minister of the Kingdom of Cambodia. It will also visit a number of economic and cultural establishments.

The visit is aimed at further strengthening the traditional relations of friendship between the two peoples and Armed Forces of Laos and Cambodia.

A send-off ceremony for the delegation was held at the National Defense Ministry in the presence of Lt. Gen. Siphon Phalikhan, deputy minister of national defense and chief of the Army's General Political Department; Lt. Gen. Ai Souli-gnaseng, deputy minister of national defense and chief of the Army's General Staff Department; Khek Lerang, ambassador extraordinary and plenipotentiary of the Kingdom of Cambodia to Laos; (Trin Sophon), Cambodian military attache; and a number of senior and middle-ranking military officers attached to the Ministry of National Defense.

Thailand

Karens Seek Benefit From Gas Pipeline in Burma

PTT 'Unwilling' To Comment

BK1003140495 Bangkok BUSINESS DAY in English 19 Mar 95 p 1

[Report by staffwriter]

[FBIS Transcribed Text] Officials from Thailand's state petroleum company, PTT [Petroleum Authority of Thailand], were unwilling yesterday to comment on reports that Karen guerrillas were seeking to share the benefits of a natural gas pipeline that is to extend from the Gulf of Martaban to the Thai border.

Some experts indicated that because PTT Exploration and Production—the investment arm of PTT, which is to hold 30 percent of a newly formed pipeline consortium—is not the operator of the pipeline project, it is unlikely that it would be involved in talks with the Karen.

PTT signed a 30-year agreement last month with Myanmar [Burma] to import gas via the pipeline, which is to be built by France's Total and the United States' Unical. The pipeline will be operated by Total.

Karen National Union (KNU) guerrilla leader General Bo Mya was quoted by Reuter news agency as saying that he would seek talks with the companies involved in the venture to build a 400km pipeline that is to run through territory controlled by the guerrillas.

"The Karen should get a share of the benefit from whoever gains from the gas pipeline project," Commander Bo Mya was quoted as saying.

Past threats by the ethnic minority guerrillas to destroy the pipeline or to disrupt its construction were downplayed by their commander, according to Reuter.

"The Karen never said we would destroy the gas pipeline—we only said it is not right to build such a huge project while the civil war is still going on," he was quoted as saying.

The president of PTT Exploration and Production, Wiset Chuphiban, recently expressed confidence that the Myanmar government would talk to minority groups about protecting the investment.

"I see no problem," Mr. Wiset said. "All minority groups and the Myanmar people know that this is a good thing for the country in the long term."

Mr. Wiset said yesterday he was confident that the country was moving in the right direction.

"The process of change of the political way takes time," he said. "It cannot change immediately."

Minister: 'Internal Affair'

BK1403094295 Bangkok Radio Thailand Network in Thai 1200 GMT 13 Mar 95

[FBIS Translated Text] Deputy Foreign Minister Surin Phitsuwan answered reporters' questions during a press briefing at the Foreign Ministry today about a suggestion by General Bo Mya, leader of the Karen National Union or KNU, that the Karens should have a share of the benefits from the natural gas pipeline project from Burma to Thailand. Minister Surin said this is an internal affair of Burma that the Burmese should discuss among themselves. Thailand, he said, is only the buyer of the natural gas, and its responsibility is limited to what concerns Thailand. Foreign oil companies involved in the natural gas pipeline project should seek talks with Burma and solve the problem among themselves.

Concerning a report that Gen Bo Mya wanted Thailand to give protection to the Karen refugees, the deputy foreign minister said it is already the practice of the Thai Government to give protection to refugees fleeing the war. On the other hand, the refugees must respect Thailand's sovereignty. He said that agencies concerned with overseeing the refugees are adjusting their method of work to be more careful.

Editorial Advises World: 'Beware' SLORC

BK1003153395 Bangkok BANGKOK POST in English 10 Mar 95 p 4

[Editorial: "SLORC Mounts Ominous Plan for Self-Preservation"]

[FBIS Transcribed Text] It seems Burma's State Law and Order Restoration Council [SLORC] is about to win a long battle against democracy by over powering all minority opposition groups and then trying to gain the trust of the world. It is a sad situation despite continued efforts by many of the world's leaders to highlight the country's human rights abuses. And it will become even more sad if its Southeast Asian neighbours, with economic prosperity in mind, continue to stand idly by as the junta bluffs others into believing it is trying to restore basic qualities of life under military rule.

The SLORC's strategy, if it was indeed intentional, could be regarded as leader Khin Nyunt's master stroke of genius. History is a good starting point. The SLORC takes power amid a bloody uprising and sits patiently while it is condemed by the rest of the world, refusing to relinquish power. Then, it slowly proceeds to reduce any threat of opposition by forcing students involved in the uprising to flee the country.

Any other opposition was also slowly eliminated, the latest being the Karen National Union, which had its Manerplaw headquarters blasted last month by junta forces. Still, the SLORC reflects condemnation from foreign countries for its unjustified show of force, including the United Nations Human Rights Commission in Geneva which has already condemned the junta for its offensive.

The UN Commission accused the SLORC of torture, arbitrary executions and forced labour, and appealed for the immediate and unconditional release of Nobel peace laureate Aung San Suu Kyi, according to Agence France Presse. It is not the first time the SLORC has been accused of committing such atrocities.

Now, if it is possible to take an educated guess at future tactics of the SLORC, the plan is coming to fruition and the rest of the world must be careful not to believe an illusion being created by Khin Nyunt's regime—particularly Southeast Asia which can easily fall into the trap of sacrificing morality for the sake of short-term monetary gain because of Burma's rich resources. Even though there are many more complex factors affecting political decisions, a simplification would say any countries inside Southeast Asia which support the SLORC's continued defiance of democracy stand to lose the support of the international community. Economically, countries stand the chance of jumping the gun in an attempt to avoid missing the boat.

Next, the SLORC has promised to attack Khun Sa, who was the logical last choice. He is known as a drug lord, disliked by America and other dominant powers for pushing drugs which have infiltrated into those countries. His defeat would be welcomed. His army conscription policies are as brutal as the junta's. Effectively, one villain would have defeated another and the international community would be happy to see it. But, again, the SLORC's power would be increased and minority groups of Burma's northeast would suffer. Their existing freedom, however little, would be extinguished.

The final rabbit in the SLORC's hat of tricks is democracy leader Aung San Suu Kyi. Once all human rights abuses are committed in the name of absolute rule, she will presumably be released. A year overdue in June, the release will have fulfilled the wishes of human rights activists the world over. There will be an expectation for diplomatic praise. It is then that the world must carefully assess the real political situation in Burma—in brief, it will be an assessment of just how much freedom will be given to the people, regardless of how much the economy is opened up to the outside world.

Japan this week announced it will again send aid to Burma—good news for the people if it is not abused by military powers and used for the wrong reasons. Developed nations must help to improve the welfare of the people, but they must also beware the government.

If the SLORC's bluff works, it will have succeeded in gaining its ultimate goal of total power over the people, whom it will continue to manipulate. Distribution of wealth will remain with the chosen few at the top of the military scale. If not, the United Nations and the outside world must increase efforts to pressure Burma into adopting a truly democratic stance, which should include another controlled election similar to that of Cambodia. Thailand must put itself on a list of countries continuing to condemn absolute rule and, as with the case of Cambodia, must only support a truly democratically-elected government.

Burmese Border Villagers Suffer From Conflict

95SE0116A Bangkok ATHIT in Thai 13-19 Jan 95 pp 38, 39

[Article by Yanam Thungkhunluang]

[FBIS Translated Excerpt] One person likes to roam about the Thai-Burmese border area. He can sleep anywhere, in a field or in a bamboo house in the middle of the battlefield. His life is like that of a bird, who can fly anywhere he wants. In the afternoon, there are cool breezes. I sat and listened to all the things he had to say. Life is still very harsh in the Salween River basin.

"I know that you have written books and composed songs. But if you go into the jungle across the border to the west, you will see things you never dreamed of." He was referring to the Salween River basin, that is, the area controlled by the Kawthulay forces, which has been engaged in a protracted war with the Burmese Government. That war has been going on for almost 50 years now. [passage omitted]

In a village where the atmosphere is one of war, "Burmese forces come here and draft people to serve as porters. Some live and others die. The Karen forces do the same." Villagers are responsible for providing food. "Each household must bear the cost after the soldiers have left."

The orders given by the soldiers have never helped improve the lives of the villagers. Poverty and suffering are widespread, and families have been torn apart. Those who are armed can order those who are unarmed to do anything they want.

The younger people here work on the Thai side of the border. It's as if their lives are worthless. Businesses along the border in Mae Hong Son, Tak, Chiang Mai, and Kanchanaburi Provinces all welcome this cheap labor from the hills. These people have to stay regardless of how low the wages are. "The money earned is sent back home. Households that still owe money from when soldiers were in the village have to pay, either in cash or rice. Very often, those who cross the border are searched by Thai officials at the border checkpoints. The money that they have managed to save is taken from them." But no one complains, because they are hill tribesmen.

Those who live in the Salween River basin area have been condemned to a life of suffering. Soldiers on both sides have done great harm to the villagers here. Farmers must be very careful. Their lives are filled with risk, and their survival is a matter of luck.

"Mothers who have malaria lie unconscious. Their small children climb up and try to suckle. They are like forest animals," he said about the people who live in an area engulfed by war.

When I asked about the fighting between the Buddhist and Christian Karen groups in Burma, he said that there has long been a clear division between the Buddhists and the Christians. Both groups respect each other. But among the Buddhist group, there are strict rules prohibiting the carrying of guns. This is to prevent outsiders from coming in. But when someone breaks the rule, conflicts arise and weapons are used. Thus, there are often reports about rebellions.

In the end, the ordinary people all suffer the same fate. They have to flee for their lives. And the village splits apart. The suffering that they must endure is not of their doing. Rather, this is brought on by those with weapons.

Mae Sam Laep is a community of displaced people who have come to live along the banks of the Salween River on the Thai border (Mae Sariang District, Mae Hong Son Province). Their lives are the result of the break up of their villages. You can hear boats operating here from early morning until nightfall, taking people to safety. Even though the rushing water of the Salween River is very loud, it passes thousands of people there. [passage omitted]

KR Splinter Group Blamed for Killing Loggers

BK1003135995 Bangkok BANGKOK POST in English 10 Mar 95 p 8

[FBIS Transcribed Text] The Cambodian government investigation into the massacre of 22 Thai timber workers in Preah Vihear Province last November has found the killings were the work of a Khmer Rouge [KR] breakaway group.

First Prime Minister Prince Norodom Ranariddh stopped over in Bangkok yesterday for half a day en route to the World Summit for Social Development in Copenhagen.

"We have already presented the results of the investigation to Thailand, to an appropriate authority, a long time ago," he said.

Prince Ranariddh said Phnom Penh had also completed its investigation into the killing of two paramilitary troopers in Sisaket Province last month.

A Cambodian source said the report said the Khmer Rouge had broken into several groups which were competing for power and money.

The conclusions were reached after an on site investigation by the Cambodian army and Thai representatives from the Thai-Cambodian Border Coordinating Office based in Aranyaprathet.

A number of Cambodian villagers living near the site were questioned and most pointed to breakaway Khmer Rouge guerrillas.

The source said Cambodian Ambassador to Thailand Eng Roland had already informed senior officials at the Foreign Ministry.

"What do government soldiers get from killing Thai timber workers? We make money from them," the source said.

But only last week, Deputy Foreign Minister Surin Phitsuwan called on Phnom Penh to find the culprits and bring them to justice.

He also demanded compensation for the families of the two soldiers killed in Sisaket.

Army Commander-in-Chief Wimon Wongwanit has said the border crossing at Chong An Ma between Preah Vihear and Ubon Ratchathani will remain closed until the investigation is completed and the culprits brought to trial.

Twenty-two Thai workers with BLP Import Export Company were slain at their logging site in Preah Vihear, in northeastern Cambodia, last November.

The Cambodian government accused the Khmer Rouge, but company officials and Thai authorities have their doubts.

Late last month, Cambodian government soldiers allegedly killed two Thai soldiers as they were moving supplies to Thai troops guarding the border in Sisaket Province.

The adjoining area in Cambodia has seen heavy fighting between government forces and the Khmer Rouge.

But Prince Ranariddh said: "Cambodian soldiers have never penetrated into Thai soil. I have to be very clear on this point."

"Everything can be resolved.

"Incidents along the border are sometimes not part of the Thai or Cambodian government's policy. The governments cannot completely control the behavior of troops along the border," he said.

"I don't want to talk through the press about any incidents. We are going to resolve any problems through the appropriate channels. We have very satisfactory relations."

Editorial Warns Cambodia on Freedom of Press

BK1403033995 Bangkok THE NATION in English 13 Mar 95 p A4

[Editorial: "Cambodia Can Curtail Free Press at Its Own Peril"]

[FBIS Transcribed Text] When the four Cambodian factions, Asean, and a handful of Western nations pounded out the Paris Peace accords four years ago, there was much debate on how the rival armies would be dissolved, how verification of the Vietnamese withdrawal would take place and whether there would be a written reference to the Khmer Rouge's "genocidal" regime.

There was little discussion, however, on what kind of democracy would be suitable for Cambodia.

It was simply accepted that the United Nations would aim to hold elections that gave nearly every man and woman the right to a say in how their country was to be ruled, and a government that was answerable to these same voters, the little people.

Indeed, in the end, the democratic goals set by the UN were of a standard almost unmatched anywhere else in the developed world let alone in a broken down war-battered country where much of the population had never known experienced freedom of choice, representative government or "people's power."

Despite predictions of disaster, the Cambodian election was an unparalleled success. More than 90 percent of the electorate turned out and chose the Funcinpec [National United Front for an Independent, Peaceful, and Cooperative Cambodia] party despite a fierce intimidation campaign organized by the former communist government.

Since those heady days of election fervour and wild expectations, when rights and ballots were the mainstay of coffee shop talk, the reality of the power balance on the ground has taken over. The government that took power includes the poll losers, the Cambodian People's Party, and an official passion for democracy, at least as it is traditionally known, is slowly abating.

Funcinpec leader Prince Norodom Ranariddh has become a convert to the East Asian way of government and is showing an increasingly low tolerance of criticism, whether it is from his own party members (as in the case of the former Finance Minister Sam Rangsi who was fired), from the local press (as in the case of the editor of the Khmer Youth News who was jailed for a year) or from indigenous NGOs (as in the case of the Khmer Institute for Democracy whose leader was threatened with expulsion).

The government is now pushing for a new press law that would make it a crime to humiliate national institutions, such as Ranariddh, and provide penal sentences for journalists who do.

There is no question journalists in Cambodia need disciplining. Many of the newspapers are little more than rags; the tools of influential figures that are loaded with raw and often racist invective, fabricated stories, personal attacks and mindless opinion pieces.

But there is also no question that if Cambodia wants to grow and develop it needs a free press that can keep the government honest and concentrating on the important issues. This will become even more crucial as billions of dollars in foreign investment begin to flow into the country and the temptations of government officials grow.

The free flow of information set in motion under Untac's [UN Transitional Authority in Cambodia] caretaker reign has already caused the government to back down on several initiatives including a dubious decision by the dual premiers to take responsibility for logging exports and forced more accountability in the military after the Anlong Veng debacle when government troops were routed by the Khmer Rouge.

Apparently Prime Ministers Hun Sen and Ranariddh believe they can govern without the interference of mislabled "Western principles" such as a free press and respect for human rights. But if it is Asian models they really want to learn from, then they look further than Cambodia 20 years ago when a corrupt government opened the door for the Khmer Rouge and the chaos and suffering that followed.

The Khmer Rouge leaders that came to power then are still in the jungle now and still influencing the peasantry with the same stories about venal leaders in Phnom Penh and their corrupt cohorts.

In a sad irony, the UN's model election produced a government that rules with no parliamentary opposition. The only real voices of dissent are Sam Rangsi, his student supporters, NGO workers and some enlightened newspaper journalists.

Unless Ranariddh and Hun Sen realize just how vital an independent, vigorous press is, then it is likely the future awaiting Cambodia will not be the economic success of Singapore but a return to the tragedy of the past.

Editorial Envisions More Trade With Germany

BK1403020395 Bangkok BUSINESS DAY in English 13 Mar 95 p 4

[Editorial: "Germany Becomes Land of Opportunity for Thai Trade"]

[FBIS Transcribed Text] Prime Minister Chuan Likphai's recent visit to Germany came at a crucial moment in Thai-German trade relations. Germany ranks fourth among Thailand's largest trade partners. Trading volume between the two countries currently exceeds $4 billion per year. Now is the time to reach new heights in trading and in co-operative projects.

Thailand exports a wide array of products to Germany: textiles and garments, electrical and electronic products, gems and jewelry, tapioca, leather goods, office equipment, fish and processed fish, and rubber and rubber products. The surprisingly strong exchange value of the Deutschemark (D-mark) relative to most other currencies, including the baht, points to greater opportunities for Thailand to sell more products to Germany.

Imports from Germany will be more costly, but the types of products exported from Germany to Thailand are things that the growing Thai economy needs, and so a reduction in demand for German products on the part of Thailand is not likely to be as severe as the loss in the value of the baht relative to the D-mark. Among the items Thailand buys are machinery and parts, motor vehicles and parts, chemical and plastic products, metals and alloys, pharmaceutical products and precision and optical instruments.

The balance of trade over the past two years has been in favor of Germany in the amount of more than DM200 million.

The economies of both countries are on a sound footing, so efforts to expand trade are likely to be successful and beneficial. Although Germany's problems associated with reunification will take years more to wind down, the facts are that income and investment are rising steadily. There are convincing signs that the German economy's recovery from the recession has been on a steady course since last year. Moreover, there are other positive signs: a survey of the level of business confidence in the manufacturing sector is at the highest level in 25 years, orders for industrial goods are rising.

Thailand should assertively pursue expanded trade opportunities in Germany. The Prime Minister's visit should be followed up with trade missions. The market for consumer goods should be targeted in terms of products in which Thailand's competitive advantages are the most pronounced. Value added products should be given special emphasis.

There are currently 24 financial and 55 technical bilateral and co-operative projects, primarily in education and training. Germany's ability to educate and train technicians, scientists and engineers is a model of efficiency. Thailand can also learn from the manner in which Germany plans for the future by gathering facts and information with the assistance of local trade associations. Thus the private and the public sectors are in close co-operation to ensure that human resources development is in line with economic growth. This is the most important objective of Thailand's social and economic planners today.

Central Bank Adjusts Policy To Promote Savings

BK1403020095 Bangkok BUSINESS DAY in English 13 Mar 95 p 3

[FBIS Transcribed Text] The Bank of Thailand [BOT] has readjusted its monetary policy by injecting liquidity into the system and promoting domestic savings in the wake of market turmoils since the Mexican crisis in mid-January, according to Nopphamat Manolihakun, central bank spokesperson.

Ms Nopphamat said the central bank attempted to encourage commercial banks to secure savings from domestic sources to cut down their dependence on foreign capital because if they relied too much on foreign sources, they would face severe difficulties in their financial management.

Besides, the domestic money market would be greatly affected by financial crises abroad which would cause rapid outflows and inflows of foreign capital.

"From the break-out of the financial crisis in January to the weakening of the U.S. dollar, the Bank of Thailand injected money through the loan window and repurchase channels in order to maintain liquidity.

"Because commercial banks could not mobilize adequate domestic savings, the rapid outflow of foreign capital did not allow them enough time to adjust their liquidity conditions," the BOT spokeswoman added.

The Bank of Thailand had to adjust the monetary policy in accordance with the international financial situations so that commercial banks could adjust to the turbulences in foreign money markets.

The forex [foreign exchange] business was expected to suffer from the instability of the exchange rates. Therefore those in the business should be careful in their business handling and should be insured against exchange rate risks, Ms Nopphamat added.

However, the liquidity situation should improve this week as the G7 leaders call to back the U.S. currency, coupled with the rise in domestic interest rates, is likely to lead to appreciation of the dollar, thus attracting a major flow of foreign capital, the BOT spokeswoman said.

Bulletin Issued on King's Health

BK1303135295 Bangkok Thai Color Television Channel 9 in Thai 1200 GMT 13 Mar 95

["Statement No. 6 issued by the Royal Household" in Bangkok on 13 March— read by announcer]

[FBIS Translated Text] The Royal Household earlier issued a statement saying that the king was admitted to Sirirat Hospital at 2200 on 10 March and that thorough examination by a panel of doctors showed that an artery was partially blocked. The panel explained that it was this ailment that caused the king's severe chest pain. It said without correct diagnosis and timely treatment the ailment is very dangerous. The treatment on 11 March by the panel amounted to inserting a balloon catheter into his artery to dilate the blocked section. The treatment succeeded in alleviating his chest pain. The panel will be providing continual examination and treatment to prevent a recurrence of arterial blockage and to aid normal operation of the heart. Today, the king's condition has improved, and there has been no complication. He can sit up and walk in his room. The panel anticipates that he could leave Sirirat Hospital soon. It advises that he continue to avoid his royal duties for a time to rest.

The public is hereby informed.

Vietnam

Burma's Than Shwe Winds Up Official Visit

President Receives Than Shwe

BK1403035895 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 11 Mar 95

[FBIS Translated Text] State President Le Duc Anh received at the presidential palace this morning General Than Shwe, prime minister of the Union of Myanmar [Burma], who is now on an official friendship visit to Vietnam.

Also present at the reception were Foreign Minister Nguyen Manh Cam and Nguyen Viet Dung, the director of the presidential office.

His Excellency General Than Shwe expressed his honor at having a chance to visit Vietnam. He sincerely thanked President Le Duc Anh for his reception, and briefed the president on some traits of the economic, political, and social situation in Myanmar.

His excellency the general noted with pleasure the achievements scored by the Vietnamese people in the process of national renovation and construction, regarding these as valuable experiences for Myanmar to rebuild its country and protect its national sovereignty and independence.

His Excellency Than Shwe expressed the hope that after this visit, Vietnam and Myanmar would further increase their mutual understanding, step up their mutually beneficial cooperation, and further tighten the existing traditional friendly ties between the two peoples.

President Le Duc Anh hailed the visit to Vietnam by General Than Shwe, prime minister of the Union of Myanmar, and viewed this as a manifestation of the fine development in the friendly and cooperative relations between Vietnam and Myanmar in various areas—economic, trade, cultural, and tourism.

The president expressed his sincere gratitude for the support of the leaders and people of Myanmar for

Vietnam's struggle for national independence in the past. He briefed the general on Vietnam's foreign policy to befriend all countries in the neighboring area, in the region, and in the rest of the world on the principle of respecting each other's national independence and sovereignty.

President Le Duc Anh expressed his belief that the friendship and cooperation between the peoples of Vietnam and Myanmar will constantly be consolidated and will develop steadily in the interest of the respective peoples, thus contributing to maintaining peace, stability, and development in the region.

Visit Ends 'Successfully'

BK1403061795 Hanoi Voice of Vietnam in English 1000 GMT 13 Mar 95

[FBIS Transcribed Text] Myanmar [Burma] Prime Minister Than Shwe and his party left Ho Chi Minh City on Monday, 13 March, successfully concluded his five-day official friendly visit to Vietnam.

During his stay here, the Myanmar delegation was received by Prime Minister Vo Van Kiet and Vietnamese senior officials. Talks were held between the two Prime Ministers.

Mr. Than Shwe has said that it was a base for Vietnam and Myanmar to optimistically acknowledge the prospect for cooperations between the two countries because these cooperations are meeting aspirations of the two peoples and the trend in the region.

Earlier, Prime Minister Than Shwe was warmly received by party General Secretary Do Muoi and State President Le Duc Anh. Vietnamese party and state leaders maintained that Vietnam and Myanmar are two close neighbors sharing many similarities. They wished for further bilateral cooperation.

On this occasion, the two countries signed a memorandum of understanding on the first session of the Vietnam-Myanmar Joint Committee, an agreement on information exchange, to fight cross-border drug trafficking, and a memorandum of understanding on agriculture and forestry.

Joint Communique Issued

BK1403073095 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 13 Mar 95

[Vietnam-Burma joint communique issued in Hanoi on 13 March]

[FBIS Translated Text] 1. At the invitation of SRV Prime Minister Vo Van Kiet, General Than Shwe, prime minister of the Union of Myanmar [Burma] paid an official friendship visit to Vietnam from 9-13 March.

2. Accompanying his excellency the Myanmar prime minister and his wife are Lieutenant General Khin Nyunt, first secretary of the State Law and Order Restoration Council [SLORC]; Lieutenant General Chit Shwe, minister of forestry; Lt. Gen. Thein Win, minister of transport and commander-in-chief of the Air Force; Major General Soe Myint, commander of the Southern Military Region; Brigadier General Abel, minister of national planning and economic development; and Foreign Minister Ohn Gyaw, Myanmar Ambassador to Vietnam U Maung Maung Lay, and many other high-ranking officials of the Myanmar Government.

3. Prime Minister Than Shwe, his wife, and entourage were warmly welcomed by the Vietnamese leaders and people, thereby manifesting the traditional friendship and the time-honored relations between the two nations. Prime Minister Than Shwe expressed his great delight in paying the first official visit to Vietnam. He conveyed the Myanmar people's cordial greetings and best wishes to the Vietnamese people.

4. Prime Minister Than Shwe and his entourage paid a tribute to President Ho Chi Minh at his mausoleum, visited his home and office, and visited a number of cultural and economic establishments in Hanoi and Ho Chi Minh City. The Myanmar delegation clearly saw the Vietnamese people's efforts in the national reconstruction.

5. Prime Minister Than Shwe paid a courtesy call on party General Secretary Do Muoi and State President Le Duc Anh. Prime Minister Than Shwe invited General Secretary Do Muoi and President Le Duc Anh to pay an official visit to Myanmar. The invitation was accepted with pleasure and the visit's agenda will be arranged through the diplomatic channels.

6. Prime Minister Than Shwe cordially exchanged concrete views with Prime Minister Vo Van Kiet on bilateral, regional, and international issues of mutual concern. Also attending the talks on the Myanmar side were Lt. Gen. Khin Nyunt, first secretary of the SLORC; Lt. Gen. Chit Shwe, minister of forestry; Lt. Gen. Thein Win, minister of transport and commander-in-chief of the Air Force; Maj. Gen. Soe Myint, commander of the Southern Military Region; Brig. Gen. Abel, minister of national planning and economic Development; Foreign Minister U Ohn Gyaw, Myanmar Ambassador to Vietnam U Maung Maung Lay, and many other high-ranking officials of the Myanmar delegation. On the Vietnamese side were Nguyen Manh Cam, minister of foreign affairs; Le Xuan Trinh, minister and head of the Government's Office; Nguyen Quang Ha, minister of forestry; Nguyen Thai Bung, deputy minister of national defense; Pham Tan Long, deputy minister of interior; Nguyen Dinh Bin, deputy minister of foreign affairs; Vo Hong Phuc, deputy chairman of the State Planning Commission; Tran Viet Tan, Vietnamese ambassador to Myanmar, and many other high-ranking officials,

7. The Myanmar side informed the Vietnamese side on the Myanmar people's efforts in national construction

and the current great changes in Myanmar in the constitutional, political, economic, and social domains, and their efforts in achieving national conciliation.

The Myanmar side reasserted their independent and positive foreign policy, which is being implemented on the basis of the five principles of peaceful coexistence while actively participating in the Nonaligned Movement.

The Vietnamese side highly appraised the Myanmar Government and people's efforts in the cause of national construction, development, and prosperity and in pursuing a foreign policy of friendship and cooperation. The Vietnamese side expressed the hope that these efforts will be successful.

8. The Vietnamese side informed the Myanmar side of the important achievements that the Vietnamese people have scored in the framework of the comprehensive renovation undertaking and of the measures to lead the country to a new stage of development based on the gradual implementation of the industrialization and modernization program. The Vietnamese side also reiterated its foreign policy of independence, openness, diversification, and multilateralization as well as the importance it attaches to efforts to promote friendship and multifaceted bilateral and multilateral cooperation with countries in Southeast Asia.

9. The Myanmar side congratulated the Vietnamese side on the quick achievements that Vietnam has scored in the framework of the comprehensive renovation undertaking and along the path toward the goals of making the people rich and the country powerful and of bringing about justice and civilization in society. It wished Vietnam even greater successes.

10. The two sides reviewed achievements scored in the promotion of bilateral relations and unanimously agreed to further strengthen the existing friendship and cooperation between the two countries in the interest of the two peoples. In that spirit, the two sides welcomed the fine results of the first meeting of the Joint Vietnam-Myanmar Cooperation Committee as well as the documents signed on this occasion. The two sides expressed their belief that those practical measures would create a new factor for strengthening friendship and multifaceted cooperation between the two countries in the days ahead.

11. Regarding this visit, the two sides signed the following documents:

—The minutes of an agreement on the first meeting of the Joint Vietnam-Myanmar Cooperation Committee;

—an agreement on narcotics control and prevention cooperation; and

—an agreement on forestry development cooperation.

12. The two sides expressed satisfaction at the ongoing trend of peace, stability, and cooperation in the region. They also pledged the determination to promote cooperation between the two countries and among regional countries to positively contribute to that trend. On this issue, the Vietnamese side informed the Myanmar side of its active preparations for full ASEAN membership in July 1995. The Myanmar side welcomed Vietnam's participation and regarded this as a positive contribution to peace, stability, cooperation, and development in Southeast Asia.

13. The two sides highly valued the agreement on cooperation for lasting development in the Mekong River Basin, which is scheduled to be signed in April 1995, regarding this event as a positive step of development in the promotion of cooperation among countries along the Mekong River's banks.

14. The two sides expressed their satisfaction at the fine results of the visit, regarding them as a firm basis for further consolidating friendship and cooperation between the two countries and for contributing to the promotion of peace and prosperity in the region.

15. Myanmar Prime Minister Gen. Than Shwe and his wife expressed profound gratitude to the Vietnamese Government and people for the hospitality they have accorded the delegation during its stay in Vietnam.

Hanoi, 13 March 1995.

Customs Agreement Signed With South Korea

BK1103135295 Hanoi VNA in English 0625 GMT 11 Mar 95

[FBIS Transcribed Text] Hanoi VNA March 11—An agreement on customs cooperation btween Vietnam and the Republic of Korea was signed here on March 10.

Signatories were Director General of the Vietnam General Department of customs Mr. Phan Van Dinh and his ROK counterpart, Mr. Ly Hoan-kun.

The two chief customs officers described the signing of the agreement which will cover exchange of information on and experience in customs as a positive contribution to the activities of the customs services of the two countries in order to simplify customs procedures and facilitate export and import, entry and exit, and foreign investment.

The signing of the agreement, the first of its kind in Vietnam signed with a foreign country, will also create the legal basis for cooperative development of the customs services of Vietnam and the ROK.

Lao Minister Arrives for Bilateral Meeting

BK1203151895 Hanoi VNA in English 1454 GMT 12 Mar 95

[FBIS Transcribed Text] Hanoi VNA March 12—Khamphoui Keoboualapha, Politburo member of the Lao People's Revolutionary Party Central Committee and deputy prime minister, and his party arrived in

Hanoi today to attend the 17th session of the Vietnam-Laos Inter-Governmental Commission for Economic, Cultural, Scientific and Technological Cooperation.

Mr. K. Keoboualapha who is chairman of the Lao section to the commission and his party were welcomed here by Mr. Phan Van Khai, Politburo member of the Communist Party of Vietnam Central Committee, deputy prime minister, chairman of the Vietnamese section and head of the Vietnamese delegation to the 17th session.

Other senior officials of Vietnam and Laos joined the welcoming party.

Vo Van Kiet Urges Shake-Up To Speed Reform

BK1403052195 Hanoi VIETNAM INVESTMENT REVIEW in English 16-22 Jan 95 p 5

[Report by Yen Hung]

[FBIS Transcribed Text] Vietnam Premier Vo Van Kiet pushed for aggressive reforms to free Vietnam from the binds of red tape during a speech to national leaders last week in Ho Chi Minh City.

While praising the progress made in 1994, Kiet urged municipal and provincial officials present at the meeting to accelerate this "difficult battle against Vietnam's weak administrative mechanism".

"The current management, is failing to keep abreast of reforms in the mechanism and impedes development by letting prime opportunities slip through unnoticed," Kiet said. "This failure paralyses the nation's potential."

The whole country must first be aware of the red-tape crisis in order to participate in the common goal of creating a cleaner and more efficient state," Kiet said. In order to achieve this goal, the Prime Minister insisted that "it is crucial to renovate the leadership of the Communist Party and enhance the capability of Government officials".

"Within some departments and provinces, sectionalism still prevails," Kiet said.

"Unqualified civil servants aggravate the already cumbersome administrative procedures, while corruption and bribery still dominate some regions."

"We need to realize the importance of this new year as it is the last year to our 1991-1995 five-year plan," said Kiet, who indicated that 1995 is the spring-board year for socioeconomic-economic targets toward the next millennium.

The only way to maintain Vietnam's growth is to further embrace and enhance the 1986 "doi moi" policy, Kiet said. Ignoring vital reforms will sink the country into the past, the Prime Minister warned.

"The hurdles for 1995 are high," said Kiet. "Difficulties loom around our lack of capital, infrastructure, and technology whose development in 1994 still leaves lingering problems."

Despite 1994's high growth figures, Kiet stressed that overall progress was not steady and only skimmed the surface of the country's full potential. Other problems include the low efficiency of export-import activities and rampant illegal border trade.

"The whole nation now faces the challenges of how to optimize the advantages brought about by doi moi and to tackle all remaining impediments in order to speed up the country's growth," Kiet said. "This is an urgent task in light of the harsh competition from other countries in the region and all over the world."

Praise from Kiet for provinces and cities that have fulfilled their goals and quotas for 1994 were balanced with imperatives for further reforms and stronger growth. "Many municipal and provincial People's Committees must still strive to accelerate growth in their regions and to streamline administrative tasks. Many abundant potentials have yet to be fully exploited," the Prime Minister said.

The need for provinces to strictly adhere to laws issued by the central government is also imperative in uniting the whole country toward development. Efforts to eradicate corruption, smuggling, as well as other social evils must be strengthened, particularly in smaller areas far from the capital, Kiet said.

"We should all push to promote nationalism and independence in the consciousness of the Vietnamese people," Kiet said. "All energy must be devoted toward industrialization and modernization in order to bridge the gap between Vietnam and the other more advanced nations in the region."

Do Muoi Addresses Farmers Association Meeting

BK1203075795 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 10 Mar 95

[FBIS Translated Text] The Vietnam Farmers Association [VFA] Standing Committee today held its third conference to review the association's activities and the farmers movement in 1994 and to set up direction and orientations for 1995. Comrade General Secretary Do Muoi addressed the conference.

Last year the VFA renovated its organization and activities from the grassroots to central levels, consolidated association structure at grassroots branches, and has genuinely become a vanguard force and an impetus for socioeconomic development in rural areas. In 1995, the VFA will focus on improving its activities in all areas to be worthy of a core force in the undertaking of building a new rural area and to contribute effectively in the industrialization and modernization of the country.

Speaking at the conference, Comrade General Secretary Do Muoi hailed the farmers movement and the VFA for their valuable contributions to the country's renovation undertaking. Comrade general secretary pointed out that farmers countrywide have fulfilled important tasks including production of foods, cultivation of industrial plants, and raising animals with high efficiency. Farmers have put their faith in the leadership of the party and the renovation undertaking of the country. The achievements were made thanks to the renovation policy of the party, the assistance and support of the state, and the vigorous effort of our farmers.

The comrade general secretary also pointed out the urgent issues that affect farmers regarding their livelihood, education, health, and cultural needs. He stressed that party committees at all levels should set up concrete objectives in the care for farmers, particularly in allotment of land to farmers and implementation of modernization and industrialization processes in rural area as well as building the unity bloc among farmers, workers, and intellectuals.

Do Muoi Meets With Delegates in Hanoi Precinct

BK1403040395 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 11 Mar 95

[FBIS Translated Text] The Fatherland Front committee of Ba Dinh Precinct in Hanoi arranged a meeting yesterday morning for National Assembly deputies, members of the municipal people's council, and representatives of voters in the precinct in anticipation of the seventh session of the Ninth National Assembly.

Attending the get-together were Do Muoi, general secretary of the party Central Committee, and Lieutenant General Chu Huy Kinh, commander of the Capital Military Region, who are both National Assembly deputies, and many representatives of the Hanoi Municipal People's Council.

All of the views presented by voter representatives to the National Assembly and the municipal people's council covered many issues concerning state policies, the restoration of law and order, the creation of conditions for increased production, environmental protection, and the need to care for cultural and social activities, improve the people's welfare, and fight against corruption and other negative phenomena.

A number of delegates suggested that the National Assembly promptly promulgate a law on cooperatives to encourage the people to invest in increased production and to create legal conditions for cooperatives to engage in production business.

Voters from many wards in the precinct asked the municipal people's committee to pay attention to building essential infrastructure facilities for various population centers which originally were suburban neighborhoods inhabited chiefly by needy laboring people.

As for the movement against corruption and negativism, the delegates asked various echelons of the party and the administration to take urgent, drastic, and wise measures and to refrain from providing protection for incumbent cadres found guilty. More specifically, effective measures must be undertaken to strictly enforce the law on dike protection with regard to the violations of the Yen Phu-Nghi Tam dike, which is now the focus of public attention.

Speaking at the meeting, National Assembly Deputies Do Muoi and Chu Huy Kinh said they would take note of the suggestions made by voter representatives and would present these suggestions before the upcoming session of the National Assembly.

General Secretary Do Muoi urged various party committees and the administration at the grass-roots level to develop their creativity and, in coordination with various mass organizations, to rely on the people in resolving satisfactorily those problems arising in the localities concerned in order to help make the state apparatus more effective and ensure the respect for and enforcement of the law. He stressed the need to step up production and find employment for the laboring people and to intensify the movement to do away with hunger and poverty, to improve the people's intellectual standards, and to care for the welfare of every establishment.

Minister Discusses Foreign Investment Issues

BK1403095595 Hanoi VIETNAM INVESTMENT REVIEW in English 16-22 Jan 95 pp 6,7

[Interview with Dau Ngoc Xuan, minister and chairman of State Commission for Cooperation and Investment, by Hoang Van Huan; place and date not given]

[FBIS Transcribed Text] [Hoang Van Huan] Many considered the investment figures for 1994 misleading as they represent contract capital and not a real cash flow. The underside of the beaming figures for investment has never been as glossy. Likewise, investment in Vietnam has both good and bad sides. Please could you explain to Vietnam Investment Review readers this issue?

[Dau Ngoc Xuan] There are two sides to everything. The two sides to investment cooperation are not shiny like a medal. They are either achievements or difficulties. The difficulties will not exist forever. They will be gradually overcome through the development process, especially with the growth of skills, knowledge and experience of the investment managers in Vietnam.

[Hoang Van Huan] By improving investment procedures, license evaluation time has been considerably shortened, but this is the evaluation stage only. Investors investing in Vietnam have to go through many other stages before evaluation like negotiating and signing contracts with new partners, seeking approval from managerial ministries and local authorities, among other procedures. This process takes at least a year. Is the process for investors too complicated?

[Dau Ngoc Xuan] There is still cumbersome red tape that is the reason we plan to reform administrative procedures. In the investment cooperation sector, the Government Decree No. 101 dated 20 December 1994 should ease the process.

However it should be emphasized that one door does not mean that any organization will be appointed as a one door authority to resolve every issue without reporting to senior levels and line industries.

It means that the one door organization will do everything related to superior levels of government and industries; you will not have to go from one government organization's door to another as nowadays.

It is necessary to regulate between "one door" organizations at the central as well as in local levels.

The State Committee for Cooperation and Investment (SCCI) can not decide contracts between investing partners; SCCI can not act in the way of managerial ministries or local authorities.

However, in the macro level, the Vietnamese Government has been active in simplifying the cumbersome procedures .

[Hoang Van Huan] Recently there have been several strikes at foreign invested enterprises. Do you consider them a problem? What are the solutions?

[Dau Ngoc Xuan] In 1994 there were eight labor disputes in foreign invested enterprises (FIEs). But disputes did not only take place in the FIEs. Local employers experienced similar problems. We should not ignore these strikes and the reasons they occur. Most disputes took place in enterprises where the employer and employees' representative had not signed the cooperative labor agreement. Strikes also occurred in enterprises with no trade union, or in the enterprises where the working contract had not been signed.

In short, the disputes happened in enterprises where the government Regulation on Labor in FIEs was not strictly obeyed.

The minimum salary defined by Ministry of Labor Invalid and Social Affairs (MOLISA) for the FIEs' workers was considered as the medium salary in some FIEs. Misunderstanding and disobeying the Government regulation caused problems and difficulties.

Laws of Vietnam's government must be explained carefully to foreign investors. Trade unions must be established, creating working cooperation with leaders and representatives in order to reduce the disputes and strikes.

Vietnamese officers who were appointed to work in FIEs as executives have to understand their responsibilities to protect the rights of the Vietnamese side. Workers' rights have been clearly defined by Law and policy. If these people do not understand the laws clearly and if they fail to convince the foreign investors to obey government policies these problems and disputes will appear.

Cultural differences in working cause difficulties and problems in any enterprise. We have to make foreigners understand clearly and respect our methods and habits.

We also have to make workers understand the methods and working habits in enterprises operating completely under the market mechanism. They are very different from State-owned enterprises.

Finally, the Government, especially the working organizations and trade unions, have to regularly inspect enterprises in order to resolve problems before they begin.

[Hoang Van Huan] Some people have recommended a minimum salary increase to US$50 per month in order to improve worker living standards and reduce strikes. Do you think this is reasonable?

[Dau Ngoc Xuan] I would like to reconfirm, as in the present regulation, the salary level of US$35 per month for Hanoi and Ho Chi Minh City and US$30 for other provinces is the minimum salary for the simple working employees.

Those who work in FIEs are allowed to ask for higher salary in accordance with the supply and demand law of the labor market. In reality, the average salary of workers in some FIEs has increased up to US$80-100 per month.

If the minimum salary is increased, it must correspond to the real situation. The Minister of MOLISA is the one who decides the issue.

[Hoang Van Huan] Many expatriates claim to already pay a special kind of tax in the form of rates for electricity, water, phones, rent, air tickets, and other services that are higher than the Vietnamese. Could you explain why this situation exists in Vietnam?

[Dau Ngoc Xuan] Vietnamese enterprises have undergone years of renovation, transferring from a subsidized mechanism to the market economy. But for many different reasons, the legacy of the subsidized system could not be abolished immediately.

FIE's are operating completely under the market mechanism. Do they require Vietnamese subsidies? FIEs enjoy income taxes lower than Vietnamese enterprises so I think it is fair.

[Hoang Van Huan] Some people believe that the fundamental necessity in resolving issues between joint venture partners is Vietnamese law, while other are happy with agreements on principle only. What government rules are in place to guide joint ventures facing unresolved issues?

[Dau Ngoc Xuan] Not only in Vietnamese law, but also in the law of other countries, or even in the operations of the United Nations, there are "principles on agreement."

The healthy joint venture is the result of mutually respected agreements between partners. They are necessary. If not, the joint venture may break down like the divorce of a married couple.

The Vietnamese Government's Decree No. 18/CP dated 16 April 1993 is much more open than the previous Decrees (Nos. 28 and 139). Article 33 of Clause 3 of Decree No. 18/CP says that if an agreement on issues of a joint venture enterprise was not reached by the administrative board, then the administrative board should choose one of the following ways:

—The issue should be resolved at any arbitration council. The arbitration council is established under the principle of agreement between partners. It includes an equal number of representatives of each side with a SCCI representative acting as the chairman of the council. The decision of the council will be approved under the principle of majority and it is the final decision by which all partners must abide.

—SCCI will be sole arbitrator making the final decision.

—Breaking up the joint ventures.

The article resolves issues that the two former decrees did not.

[Hoang Van Huan] Some projects submitted to the State Committee for Cooperation and Investment are not approved. What are the State Committee for Cooperation and Investment's main reasons for not approving projects?

[Dau Ngoc Xuan] If your fringe is full of eggs and your daughter asks you to buy more, what would you say? No, of course. If your garden has very few trees and your brother asks you to chop some for sale, what would you say? No.

The investment story is very similar. In 1994 there were 55 projects rejected mainly because they were not suited to the country's economic structure or they harshly affected the environment.

It has required that we reprioritize types of investment.

We had made the mistake of not clarifying which sectors, which areas, which projects would he a priority for investment and which not. In short, our planning is still very weak.

These problems should be overcome.

New Trucking Rules Impede Container Transport

BK1203162895 Hanoi VIETNAM INVESTMENT REVIEW (VIETNAM SHIPPING TIMES SUPPLEMENT) in English 16-29 Jan 95 p 1

[Report by Nguyen Ngoc Chinh]

[FBIS Transcribed Text] Foreign and local importers and exporters in Ho Chi Minh City had little cause to celebrate this New Year after new regulations on container transport effectively froze shipments heading to and from city ports.

The Ho Chi Minh City People's Committee ruling, effective on January 1, implemented new technical specifications for container carriers, and prohibited unregistered and unlicensed truckers from transporting containers through the city, following a series of accidents in which containers actually fell off trucks into city traffic.

After a week's backlog of containers at city ports, the People's Committee on January 7 amended the effective date of the decision to May 30.

Truck owners have swarmed the Technical Management Bureau of the City's Civil Engineering Department to apply for licenses, but none had been granted as of last week.

Many trucks do not meet the new technical specifications, and without the postponement it would have taken six months to refit and license enough rigs to return to the container turnover prior to the decision, according to one Bureau official.

The postponement of the implementation gives time for authorities to carry out inspection and licensing procedures.

In the first week of the ruling, containers at ports within Ho Chi Minh City gathered dust or were emptied into smaller container vans for transport. As of last week more than 700 containers were on hold at Khanh Hoi, Saigon Port. Prior to January 1 there were 80 containers going out of the port daily. On January 5, only one container was transported.

Truckers willing to risk delivery runs without a license had been charging as much as US$600 for a single run, nearly ten times the standard price before the Decision.

Hong Kong-based Venture International Ltd (VIL) had loaded six 40-foot containers with shirts bound for EU markets, but was unable to move the containers from their local partner's factory.

"All efforts to move our containers out of the factory to Tan Thuan Container Port have failed since we could hardly find container trucks during the New Year's first week," Angelo Pillay, VIL's resident manager, told Vietnam Investment Review.

The Decision required container carriers to have a capacity of at least 10 tonnes, have three axles, ten wheels, and an engine capacity of over 200 hp.

Ho Chi Minh City has nearly 4,500 trucks with capacity over eight tonnes, of which 3,000 had been used to carry containers. Only 100 of these are specialized container rigs.

Even newly imported container carriers like the Hino 158 horsepower rigs fail to meet the 200 hp specification.

The Decision also authorizes only one single auto garage—the Saigon Auto Repair Enterprise—to converted trucks to handle container transport. The monopoly has sent repair costs skyrocketing and placed thousands of trucks on the waiting list for overhauls. The overhaul and relicensing process is expected to take 15 days per rig.

Province-based owners of container lorries operating in the City, whether or not they meet the newly established technical requirements, have been paralyzed by the Decision: will they have to register at the City Civil Engineering Department to get licenses to operate in the city, but the Bureau has rejected their cases as beyond the Bureau's authority. [sentence as published]

Provincial bodies are not yet authorized to issue licenses recognized by Ho Chi Minh City Police.

Shipping agents and forwarders, in the meantime, offered their clients a force-majeur solution: to do all container loading and unloading at the ports.

But clients are wary. "It's not safe for our cargo in such a chaotic situation at the ports these days," said Pillay.

Furthermore, loading service charges have risen considerably in correspondence with demand.

Ho Chi Minh City streets have been growing more dangerous as trucks loaded with heavy containers jostle with other vehicles on their way to ports or warehouses.

A recent prohibition on the heavy trucks in the city during the daytime has eased congestion, but City officials decided further regulation was necessary.

Many enterprises agree in the need for upgraded standards in the long term, but are complaining that the Decision was implemented at very short notice—three weeks—without a grace period for container trucks to upgrade to the required technical specifications.

"The promulgation of such a decision is necessary," said a vice director of Tan Cang (New Port) of Ho Chi Minh City. "But inadequate preparation for the enactment of the decision led to many bad after-effects."

Company Director on Oil, Gas Sector Development

BK1203084795 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 10 Mar 95

[Interview with Ho Sy Thoang, general director of the Vietnam Oil and Natural Gas General Company, by an unidentified correspondent; place and date not given—recorded]

[FBIS Translated Text] [Correspondent] Oil and natural gas is not only a key sector in the national economy but also an important sea-based economy. In the strategy for the development of the sea-based economy until the year 2010, what programs of action will the oil and natural gas sector undertake to fully exploit the potential of oil and natural gas in our seas?

[Ho Sy Thoang] So far, our oil and natural gas sector is mainly a sea-based economy because, while we aim to look for oil in the entire country, so far we have only exploited and discovered big oil and gas wells in the sea. On land, so far, we have only discovered a small gas well in Thai Binh Province. In the future, it is hoped that we will discover oil or natural gas in the territory of northern and southern Vietnam.

Currently, we exploit 7 million tonnes of crude oil a year. In 1995, we may be able to produce up to 8 million tonnes. With new discoveries of oil and natural gas resources, we may increase the production to 20 million tonnes in the year 2000. For the year 2010, I think that we have to conduct more careful calculations. However, it is possible that we can produce about 30-40 million tonnes by then. This year, we have discovered two oil fields with good reserves. The one found by BP and State Oil has a relatively high reserve of oil and gas. Total Company has also discovered another well in Lot 11-1.

The strategy for the development of oil and gas is attached to the development of other industrial sectors. We think that it is about time for the Vietnam Oil and Natural Gas General Company to enter a new development stage. That is, apart from exploration and exploitation, we must expand our business to transportation, trading, distribution, and processing of oil. In so doing, the company's business will be engaged in a complete circle similar to that of other oil and gas companies in the world.

[Correspondent] We hear that a program to transport natural gas inland has been implemented urgently to serve other national economic sectors. Can you brief listeners on the latest information on this activity?

[Ho Sy Thoang] The project to transport gas inland is a difficult task because it is our first project. The government has decided that we must fully utilize our oil and gas. Natural gas has been wastefully burned off for many years. Now, we have an urgent duty to transport gas inland. The construction of pipeline to transport gas was started in 1994. Currently, we can say that only a little of the work to be done before the first stage of the program is completed. Then, we will have a pipeline that can carry 1 million cubic meters of gas per day from the White Tiger oil field to feed gas turbines of a power station in Ba Ria-Vung Tau Province. According to the planning, the work will be completed in March. However, that is only the first stage, the overall planning includes the transportation of gas from the White Tiger oil field to the power station in Ba Ria-Vung Tau and liquefied petroleum gas factories and gas export establishments in Ho Chi Minh city. We are preparing documents to cooperate with foreign partners so that we can complete the entire project in late 1996 or early 1997. By that time, we may have 3, 4, or 5 million cubic meters of gas daily.

[Correspondent] How far have we gone in our planning to build an oil refinery? If this project is completed, how does the Vietnamese oil and natural gas sector perform in the international and regional markets?

[Ho Sy Thoang] The oil refinery project is a very big project involving a total investment of more than $1 billion. Therefore, we need a relatively long time to prepare, albeit we have to complete it urgently. Up to now, we can say that all preparatory steps have been completed quickly. We are conducting feasibility research with foreign partners on this project. It is certain that we can complete the research by the end of this year before submitting to the government for approval. After getting the approval, we can start construction by the end of this year or in the next year. Hopefully, we can have an oil refinery of about 6 million tonnes per year by the year 2000. That production is still considered low compared to our domestic demand at that time. Therefore, we will have to continue to import oil products. Of course, the existence of an oil refinery is a good catalyst for Vietnamese chemical industry because it would create momentum for the oil chemical industry to develop. It would also create a certain position for the Vietnamese economy because Vietnam, up to now, is one of very few countries without an oil refinery.

[Correspondent] What difficulties is the oil and gas sector now facing in fulfilling the strategy to develop itself and especially in protecting our on-shore oil exploration projects?

[Ho Sy Thoang] At present, the important issue is that the oil and gas activity is being carried out in a large area with plentiful fish. Therefore, fishing boats often go close to our area, even entering our exploitation sites. That is very dangerous because there are many oil and gas pipes under the sites. If something goes wrong, the consequences will be severe. We consider this the most important issue. We hope that local authorities and state sectors will pay attention to that, and our compatriots, especially our fishermen, will realize the importance of the protection of our oil fields. On the other hand, our company has participated with other ministries and sectors to protect security on the sea. We are also assigned to protect security in our responsible areas, in general, and to protect our exploration and exploitation work.

[Correspondent] Thank you, comrade.

General Views Renovation of Defense Industry

952E0060A Hanoi TAP CHI QUOC PHONG TOAN DAN in Vietnamese Dec 94 pp 26-28

[Article by Lieutenant General Phan Thu, member of the Communist Party of Vietnam Central Committee, vice minister of defense, and director of the Defense Industry and Economics General Department]

[FBIS Translated Text] During the organizational change that took place in the defense ministry organizations at the end of the 1980's, the Defense Industry General Department (which was then called the Technical General Department) was merged with the Economics General Department. On 3 March 1989, the chairman of the Council of Ministers (now the premier), signed Decree 22/HDBT establishing the Defense Industry and Economics General Department. This General Department is responsible for carrying out state administrative management functions with respect to the national defense enterprises and economic bases in the military and helping the Ministry of Defense serve as the staff for the state in mobilizing industry to support national defense. This General Department came into being because of the need to build and expand our country's defense industry, strengthen control over the economic bases in the military that are operating within a market mechanism, contribute to improving the results of the military's defense production and economic construction, implement independent economic accounting, and so on.

Initially, the General Department experienced many difficulties. For many years, the national defense enterprises had operated based on a state subsidies mechanism, and they were affected mainly by national defense regulations. When the defense enterprises started participating in economic activities in the new mechanism, because they were often located far from economic centers, transportation was expensive, and it was difficult to get things to the markets. The material and technical base had once been used only to produce military products and so technology had to be developed to produce economic and civilian products. Because of this, production costs were usually high, and so these enterprises were not able to compete with enterprises in economic sectors. Also, in peacetime, orders for defense products declined rapidly each year, and there was the danger of losing equipment, tools, and workers in the defense industry.

After carrying on operations for more than five years, the defense enterprises in the General Department have not disappeared as initially feared. Instead, they have completed the production tasks assigned by the Ministry of Defense. Scientific and technical research and the test manufacturing of new defense products have been maintained and expanded in recent years. Expenditures reserved for research and test manufacturing during the period 1990-1994 increased eightfold. The Weapons and

Technology Research and Design Institute has, together with the enterprises, produced a number of new products for the military.

The defense enterprises have actively participated in producing civilian-use products to support the economy using the strengths of the defense industry. Concerning machinery, this includes products such as spare parts for oil and gas pumps, machine parts and rubber for the textile industry, landline annexes for the electrical sector, power poles for 500-kv [kilovolt] power lines, machine parts for the construction sector, and so on. In particular, the explosives enterprises of the General Department have satisfied 80 percent of the country's need for industrial explosives. Besides this, the defense enterprises have produced many types of goods to support the lives of the people. The markets have accepted these goods in terms of both quality and price. The defense enterprises have contributed greatly to the economy, and participating in economic activities (after completing the defense production tasks) has helped them maintain their defense production capabilities and maintain the ranks of defense workers. This has contributed to preserving and expanding the defense production industry.

In general, the defense enterprises and other military units engaged in economic activities have actively contributed to strengthening the state economic elements in a socialist-oriented, multifaceted economy.

The tasks of guiding, managing, and organizing economic activities in the military have been stabilized, they are now aimed in the right direction in accord with policies, and results are being achieved in accord with the new mechanism. The rate of expansion in economic activities has increased each year, and this has made a positive contribution to carrying out the combat readiness and training tasks and maintaining the spiritual and material lives of the troops.

Originally, the organizations of the General Department were simply defense production management organizations. Now, they have become state management organizations in a special economic and technical sector, the defense industry. This is a very new sphere in the military that is engaged in defense production and that is participating in production and business in a market mechanism. The staff of the General Department is only one-third its previous size, but it has managed to carry out the work and perform its functions better and better.

The Defense Industry and Economics General Department has been able to achieve these initial results because of the correct policies of the party and state and because of the direct and close guidance of the Ministry of Defense and the wholehearted support of units in and outside the military. This also stems from the fact that the traditions of the Vietnam arms sector have been maintained and manifested in the new situation. The entire General Department has made a great effort, and the ranks of supervisors in the new mechanism have matured. The cadres and workers in the General Department and the ranks of defense workers, an important element in the Vietnam working class, have displayed a love for their profession and manifested a spirit of overcoming the difficulties.

Recently, the Politburo issued Resolution 05/NQ-TW on the construction and expansion of the defense industry to the year 2000. And the Communist Party of Vietnam Central Committee (seventh session, seventh term) recently issued a resolution on expanding industry and technology in accord with industrializing and modernizing the country. These important documents have generated new strength and provided a clear direction and specific targets for the defense industry in general and the Defense Industry and Economics General Department in particular in the new stage of the revolution.

In order to complete the tasks well, the Defense Industry and Economics General Department still has many things that it must do. Above all, it must soon improve management standards from the organizations to the bases in keeping with the rapid renovations being made by the country and military. It must strengthen production control, particularly control over materials and the quality of the defense products. It must coordinate things with state organizations in order to unify things and promulgate management mechanisms, regulations, and policies for the military forces engaged in economic activities. Besides this, the General Department must concentrate on carrying out specific tasks. For example:

Steps must be taken to ensure that the entire General Department, from the organizations to the bases and from the research institutes and schools to the enterprises and corporations, thoroughly understand the functions and tasks of the General Department and exploit the ingenuity and potential in order to perform the assigned functions and carry out the tasks given.

Attention must be given to building ranks of cadres and workers for the defense industry and for management of the military units engaged in economic activities in order to satisfy the varied occupational requirements of the defense industry and military units engaged in economic activities. Enough people must be trained to carry out Resolution 05/NQ-TW both now and over the long term in accord with the plans made. Building and expanding the country's defense industry is a difficult, complex, and long-term task. Steps must be taken to prepare many generations of educated and talented cadres and workers who have a sense of political responsibility, who are loyal, and who are fond of their work.

In building and developing technology for the defense industry, modern technology suited to the standards and capabilities of our country and defense industry must be selected, and investments must be made to synchronize the production chains, improve the quality of the defense products, and improve capabilities so that many types of weapons suited to our army's military arts and methods of attack can be produced.

Civilian goods must be produced using the strengths of the defense industry. The defense industry's existing strengths concerning machinery must be increased in order to contribute to the growth of our country's machine industry and to participate in the mechanization of our country's economy, which is an important factor in industrialization and modernization. Our defense enterprises are forces of the state economic element. Building strong defense enterprises will contribute to solidifying the state economic element, the activist economic element in our country's socialist economy. The economic management cadres at the enterprises and at the General Department organizations must study theory and go deeply into reality in order to gain a correct understanding of a socialist-oriented market mechanism, make use of the positive aspects, and limit the negative aspects to ensure that the activities of the defense enterprises and of the entire General Department develop properly and contribute to maintaining the orientation of our country's economy.

The Defense Industry and Economics General Department must be built and expanded in terms of both industry and technology in order to gradually modernize our country's defense industry.

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